Budget Scrutiny in Australian State Parliaments[1]

The role of Parliament in the context of the Westminster legacy is well understood at a rhetorical level. However, the pragmatic realities of politics combined with the naturally pragmatic nature of the Australian polity introduce an important question as to the extent that parliamentary form overrides substance in practice. It also means that the effectiveness of the system is less well understood.

In this paper, we will address the question "*Are parliaments little more than a stage for a ritual but symbolic battle, or are they a genuine actor in the policy process?"* through examination of the operation of budget estimates committees in Australia. Are these annual or semi-annual estimates hearings used to critically examine the estimated and actual expenditures and operations of government, as intended? Or are they more often used for political point-scoring by parliamentarians, and considered irrelevant to policy development and implementation by senior officials? These questions will be examined via a close analysis of Hansard.

Key words: Budget estimates; Australian state government; estimates committee; parliamentary scrutiny

Introduction

There are several ways in which federal and state Ministers and senior public servants are held accountable for financial and program performance in Australia. With regard to past performance, government agencies are required to produce annual reports and audited financial statements, and table these in parliament to allow scrutiny by parliamentarians, the media and general public.

Annual budget documents, including the Appropriations Bill, are also tabled in parliament. These documents outline the proposed revenue and expenditure measures for the upcoming budget year, and estimates for the following three years, known as the forward estimates. In addition, budget papers provide information about what the government intends to buy, variously expressed in terms of outcomes, outputs, and to a decreasing extent, inputs. The latter category is often the focus of media scrutiny, with headlines frequently describing major expenditure changes in the context of specific numbers of police, nurses or teachers, for example, rather than the outcomes government wants to achieve.

The parliamentary scrutiny of the budget documents usually occurs both in the parliamentary chambers during the debate of the Appropriation Bill, and also in separate deliberations by smaller groups of

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politicians known as budget estimates committees. It is here that individual budget decisions can be scrutinised in detail on an individual government department or agency level, with reference to the latest budget documents.

This allows external scrutiny of the government's proposed budget before it is voted on by the parliament, contributing to transparency and accountability regarding public expenditures and revenues. In the context of examining the Australian Parliament's Senate estimates committees, Thomas (2009) identifies four key potential benefits of budget estimates committees that are also applicable at the state level:

- Providing members of parliament an opportunity to question ministers regarding their agencies and programs;
- Senior public servants / program managers can be questioned directly;
- Access to budget documents assists with understanding the administration of programs; and
- Agencies other than only government departments (for example, statutory authorities) are within scope.

One of the difficulties in assessing whether or not these benefits of estimates committees are indeed realised lies in the relatively small number of research studies that have assessed the actual content of the parliamentary scrutiny. There are two recent Australian examples of where the content of parliamentary scrutiny of budget estimates has been examined, rather than simply providing an outline of the process without consideration of content in practice. The content source is Hansard records; the official, publicly available transcript of parliamentary debates, including committee meetings.

Mulgan (2008) examined the Hansard from Senate (federal upper house of parliament) estimates committees examining six Commonwealth government departments: Treasury; Foreign Affairs and Trade; Defence; Family and Community Services plus Centrelink; Agriculture, Fisheries and Forestry; and Industry, Tourism and Resources. This selection covers two policy focussed agencies, two major expenditure agencies and two with a mix of policy and administration.

Hansard records were examined for 1986, 1992 and 2003, which allowed comparative analysis at a similar time in the election cycle, but at different stages in federal financial management reform. Mulgan (2008) explored whether the focus of the questioning in the estimates committees was on results, processes or inputs, and whether the focus had changed over time following financial management reforms. He found significantly more attention was given to outputs at the expense of inputs over time. Despite this, explicit

references in questioning to budget documentation decreased as these documents began to rely more on the outcomes and outputs frameworks.

Bowrey et.al (2015) also considered Senate estimates hearings, but focused instead on a single federal government agency over the period from 2001-02 to 2007-08. The Great Barrier Reef Marine Park Authority was chosen as an example of an agency with a diversity of government funded programs, and relatively stable management over the period examined. The results showed that the majority (52%) of topics discussed were concerned with budget measures, 47% on policy issues, with the remainder classified as general discussion.

Opportunities identified for future research identified by Bowrey et.al. (2015) included the application of a similar methodology to different government entities, particularly those operating under different legislative frameworks. This paper seeks to contribute to the existing knowledge base by exploring the conduct of budget estimates committees at the Australian state government level, rather than focussing on federal government processes.

Research method and design

As with the two studies described above (Mulgan 2008 and Bowrey et.al. 2015), this paper explores the priorities of parliamentarians during the budget estimates process. The number and nature of topics raised at budget estimates committee meetings is examined using content analysis.

Content analysis has been applied to Hansard records of three Australian state parliament budget estimates committees. Content analysis is a research method that classifies the content of text into a meaningful number of categories, thus allowing inferences to be drawn. The analysis should be conducted in such a way that the procedure is reliable, and would produce the same results if conducted by a different person, or more than once by the same person (Weber 1990).

Content analysis can be approached in a variety of ways. There are five common steps to the technique that have been applied in this paper (Krippendorf 1989). Firstly, it was necessary to design the study, including defining the topic to be explored, identify the data sources that may contribute to this exploration, and develop a framework for the analysis. Next, the units to be measured were identified; in this case, recording of the instances of individual topics and corresponding references to budget documentation. Sampling was undertaken by identifying comparable government agencies i.e. police services in three states with different parliamentary committee structures or compositions, over the same five year period. The coding of the

samples of Hansard text was done manually by identifying individual topics raised and classifying them into one of four pre-determined categories. Inferences were then drawn to identify the main content and thus the priorities of the parliamentarians involved in the estimates hearings. A sixth stage commonly applied is validation. Future research such as interviews with individual parliamentarians could be conducted to address this final stage.

Some limitations of content analysis are acknowledged. As manual content analysis has been applied, it is possible that the results may not be replicated exactly if the analysis were undertaken by applying computer content analysis (Weber 1990). Also, the categories used for coding of content were derived from the text being analysed, and comparable to those used in previous research. This may have limited the identification of other useful categories that may contribute further richness to the research findings. (Krippendorf 1989).

Data

The source documents used in this content analysis are the official Hansard transcripts of the budget estimates hearings for police agencies in three Australian states for five budget years, namely 2011-12 to 2015-16. The time period and states involved were selected to provide a recent sample of estimates hearings that cover more than one election cycle, and include changes of government in each of the three states during this timeframe. There have been no significant changes to the estimates committee structures during this time, nor significant changes to the broad structure and focus of budget documentation. For example, there is a common focus on describing outcomes and outputs in budget papers from 2003 onwards, and thus budget papers from prior to 2003 would look materially different (Mulgan 2008).

Police agencies were chosen due the comparability in activities undertaken and services delivered. Policing activities are common across all jurisdictions, although some states combine police and emergency services within one department or agency in some years, such as in Queensland and Victoria. Therefore, any questions and answers in Hansard transcripts relating to services other than police have been excluded from the analysis.

Instead of focussing on one jurisdiction for this study, as in the case of Mulgan (2008) and Bowrey et.al. (2015), three states have been selected to provide a variety of parliamentary models and estimates committee structure and composition. The key features of each committee are described below.

Queensland

As outlined in Queensland Parliament (n.d.), Queensland is unique among the Australian states, as it is the only example of a unicameral parliament, with other states having two parliamentary chambers. Queensland's parliamentary committee system has evolved over time, and eight portfolio-based committees were implemented in 2011 to oversee all aspects of government activity, including scrutiny of budget estimates. This change occurred prior to the timeframe of Hansard records considered in this paper, and therefore no comparison between pre and post-change structures is required. Each portfolio committee comprises three government and three non-government members, and is chaired by a government member. When considering budget estimates, each portfolio committee can ask questions of Ministers and senior public servants from the relevant departments. With the permission of the committee, members of parliament who are not committee members can also ask questions. Once the hearings are completed, a final report is prepared and tabled in parliament.

South Australia

In contrast to budget scrutiny by one of eight ongoing portfolio-based committees, South Australia's two estimates committees are convened each year, after the Appropriation Bill has been introduced to parliament (Parliament SA 2014). As in Queensland, each committee has seven members split between government and non-government members, and is chaired by a government member. Only members of the House of Assembly (lower house) are able to ask questions, usually three at a time. Ministers who are members of the Legislative Council (upper house) can be examined by the estimates committees. It is common practice for the responsible Minister and opposition spokesperson to make an opening statement before questioning by the committee commences.

Victoria

Victoria's budget scrutiny is undertaken by the Public Accounts and Estimates Committee (PAEC), as outlined in Parliament of Victoria (2015). It is a joint committee (i.e. members from both houses of parliament) with nine members, including three government members plus the chair. The PAEC publishes and tables two reports on the budget estimates each year, along with the government response, usually in June and September. In addition to the annual budget estimates, the PAEC's scope includes any matter regarding public sector finances, including audit matters. Each year, it examines the previous year's financial and performance outcomes, as well as the budget estimates. It is common practice for a comprehensive presentation to be given by the Minister at the beginning of each estimates hearing. It should also be noted that general questionnaires are issued to all departments prior to the hearings, some with additional specific questionnaires (see Parliament of Victoria (2014) for examples).

Coding

The purpose of coding and subsequent analysis of Hansard records is to determine the scope and nature of topics raised in budget estimates hearings, and how closely the topics raised relate to the budget estimates being examined.

The coding categories used in this analysis draws mainly on the approach used by Bowrey et.al. (2015), who coded content using three categories: measures and budget, policy and general. This is in contrast to Mulgan (2008) who categorised topics into three main groups: results (outputs and outcomes), processes (internal procedures and contracting) and inputs (expenditure, personnel, consultants, equipment and property).

In this paper regarding police budget estimates, four categories are used to code the topics raised in Hansard records: *Budget measures, Policy, Operational* and *Other*. Brief descriptions and examples are provided below for each category.

Budget measures are those topics directly related to the budget appropriations, and can include both recurrent and capital expenditure, as well as revenue measures that form part of the budget papers.

> Ms Garrett: I refer to budget paper 4, page 41, and the [$]5.24 million that has been allocated to PSO black spot radio funding. Could the minister please explain how many black spot areas across Melbourne and Victoria this funding will address and whether there are PSOs currently assigned to stations where black spots exist? (Hansard 2014a).

Topics classified as *Policy* are related to explicit policy decisions of government, and can include implementation of election commitments.

> Mr D. O'Brien: Thank you, Minister. My question is relating to employee expenses – budget paper 5, page 117, if you would like a page. Can you outline the wages policy of the government and how this will relate to the Victoria Police EBA negotiations later this year? (Hansard 2015).

Operational questions relate to internal activities of the individual police services, and tend to be directed to or answered by the Police Commissioner rather than the Minister.

> Mr van Holst Pellekaan: Thank you commissioner. Can the minister confirm that SAPOL no longer fill community constable vacancies with sworn officers?
>
> The Hon. M.F. O'Brien: Again, this is operational, and I will pass that across to the commissioner. (Hansard 2013a).

Topics coded as *Other* are those considered by the researcher to be unrelated the budget forward estimates, not clearly falling within the first three categories, and tend to be political in nature.

> Mr Byrne: Thanks Minister, I refer to page 1 of the Queensland Police Service SDS [Service Delivery Statements], the section that deals with ministerial responsibilities. I ask: do you recall travelling to Far North Queensland on Friday, 25 May and Saturday, 26 May last year? What was the purpose of the visit? That would have been your first trip to Cairns as the minister. (Hansard 2013b).

In cases where one or more follow-up questions were asked without an additional topic being introduced, it has been treated as one topic only, such as the following example regarding attrition rates.

> Mr Gardner: How much attrition took place in sworn officers in each category – cadets, community constables and what I think everybody would see as the standard sworn officers – in 2013-14?
>
> The Hon. A. Piccolo: I am advised it is 131.
>
> Mr Gardner: Are any of those either cadets or community constables?
>
> The Hon A. Piccolo: No, 131 are all sworn officers.
>
> Mr Gardner: Are you able to provide the anticipated attrition rate for all of the years in the forward estimates? (Hansard 2014b).

Results

The results for each of the three jurisdictions are presented in separate tables below, followed by a table showing the average (mean) of the three states. Firstly, contextual information regarding the date of the estimates hearing for the police appropriations and the total number of pages of Hansard are shown.

The page length of Hansard transcripts is noted next, as a proxy for the total time for the examinations. As all hearing start and finish times of the scrutiny of the police appropriations are not recorded in Hansard for each of the three states in all years, the total time is not shown. Due to formatting and text size differences, it is not possible nor intended to meaningfully compare the page length of the hearings between jurisdictions. It does, however, provide a useful indication of the changes in the intensity of scrutiny between years within a single jurisdiction.

Next, the total number of topics raised is noted, and then coded as described in the preceding section. Lastly, the explicit references to budget documentation for each topic is also noted.

Table 1: Queensland

Year examined	2011-12		2012-13		2013-14		2014-15		2015-16	
Date of estimates hearing	19/7/2011		11/10/2012		18/7/2013		17/7/2014		20/8/2015	
Total pages of Hansard	21		20		22		64		12	
No. of topics raised	36		23		24		43		19	
Topic categories	No.	%	No.	%	No.	%	No.	%	No.	%
• Budget measures	8	**22**	10	**43**	10	**42**	17	**40**	5	**26**
• Policy	1	**3**	4	**17**	2	**8**	2	**5**	1	**5**
• Operational matters	13	**36**	6	**26**	6	**25**	11	**26**	9	**47**
• Other	14	**39**	3	**13**	6	**25**	13	**30**	4	**21**
Topics with reference to budget documents	2	**6**	9	**39**	12	**50**	19	**44**	14	**74**

Table 2: South Australia

Year examined	2011-12		2012-13		2013-14		2014-15		2015-16	
Date of estimates hearing	1/7/2011		21/6/2012		28/6/2013		21/7/2014		27/7/2015	
Total pages of Hansard	26		21		19		24		22	
No. of topics raised	54		33		37		51		62	
Topic categories	No.	%	No.	%	No.	%	No.	%	No.	%
• Budget measures	22	**41**	24	**73**	18	**49**	20	**39**	15	**24**
• Policy	1	**2**	0	**0**	1	**3**	3	**6**	5	**8**
• Operational matters	8	**15**	0	**0**	10	**27**	13	**25**	21	**34**
• Other	23	**43**	9	**27**	8	**22**	15	**29**	21	**34**
Topics with reference to budget documents	28	**52**	32	**97**	21	**57**	19	**37**	19	**31**

Table 3: Victoria

Year examined	2011-12		2012-13		2013-14		2014-15		2015-16	
Date of estimates hearing	12/5/2011		10/5/2012		16/5/2013		14/5/2014		12/5/2015	
Total pages of Hansard	16		17.5		18.5		7.5		22	
No. of topics raised	19		21		16		11		26	
Topic categories	No.	%	No.	%	No.	%	No.	%	No.	%
• Budget measures	8	**42**	13	**62**	13	**81**	7	**64**	15	**58**
• Policy	3	**16**	2	**10**	1	**6**	3	**27**	3	**12**
• Operational matters	3	**16**	1	**5**	1	**6**	0	**0**	7	**27**
• Other	5	**26**	5	**24**	1	**6**	1	**9**	1	**4**
Topics with reference to budget documents	14	**74**	12	**57**	12	**75**	6	**55**	17	**65**

Table 4: Average (mean) scores

Year examined	2011-12		2012-13		2013-14		2014-15		2015-16	
Date of estimates hearing	-		-		-		-		-	
Total pages of Hansard	21		19.5		19.8		31.8		18.7	
No. of topics raised	36.3		25.7		25.7		35		35.7	
Topic categories	No.	%	No.	%	No.	%	No.	%	No.	%
• Budget measures	13	**35**	16	**59**	14	**57**	15	**48**	12	**36**
• Policy	2	**7**	2	**9**	1	**6**	3	**13**	3	**8**
• Operational matters	8	**22**	2	**10**	6	**19**	8	**17**	12	**36**
• Other	14	**14**	36	**6**	21	**5**	18	**10**	23	**20**
Topics with reference to budget documents	15	**44**	18	**64**	15	**61**	15	**45**	17	**57**

Discussion

Date of estimates hearing

In contrast to the other states considered, Victoria is the only jurisdiction to routinely hold budget estimates hearings in May, prior to the new budget year commencing on 1 July. South Australia held hearings in June in two of the five years considered, with the remainder in July, and Queensland held all hearings after the relevant financial year had commenced, once as late as October, following the 24 March 2012 state election.

Pages of Hansard

The total average pages of Hansard for each of the three states is approximately 19 to 21 pages for four of the five budget years, noting the limitations outlined in the methodology section of this paper regarding variations in font size and formatting of the transcripts. This suggests that on average, the same amount of time and level of scrutiny is applied to police-related budget documents each year in these three states.

The exception is for the 2014-15 budget, with the primary driver of the higher average being Queensland's total of 64 pages. This was the last estimates committee hearing prior to the 31 January 2015 Queensland state election, indicating heightened budget scrutiny in the lead up to an election.

This lengthy transcript, however, is offset by the shortest transcript of approximately 7.5 pages for the 2014-15 budget in Victoria. This was also the last estimates committee hearing prior to the next state election on 29 November 2014, suggesting that an upcoming election does not necessarily translate into more or less budget scrutiny. The timing of state elections does not appear to have materially altered the average length of Hansard transcripts in South Australia.

More generally, the relatively short transcripts for Victoria may be explained by the utilisation of standardised questionnaires and comprehensive presentations at the beginning of each hearing. These documents may address key topics in advance, potentially reducing the need for specific questions from estimates committee members.

Total topics, and references to budget documents

On average, a total of 26 to 36 separate topics were raised in the estimates committees. Victoria had the lowest number of topics in all years (with the only exception in relation to 2015-16) which may reflect both the shorter transcripts, and information provided in the form of opening presentations and questionnaires. As noted above, this pre-prepared information would be expected to reduce the number of additional questions asked during committee meetings. South Australia raised the most topics in each year, but the focus of these questions and the direct relationship to the budget documentation varied considerably between years, as will be discussed further below.

Of the total average number of topics raised, between 44% and 64% had explicit references to the budget documentation, with an average of 54%. The greatest variance in these results was in Queensland, ranging from 6% to 74% (43% average), followed by South Australia with 31% to 97% (55% average). Victoria was the most consistent state with 55% to 75%, with an average of 65%.

It was found that not all topics generally, nor all questions that contained a reference to the budget documents were in fact questions about the budget measures. This will be further explored when considering the four topic categories in the following sections.

Topic 1 – Budget measures

Given the role and focus of the budget estimates committees, it would be expected that a significant majority of the topics raised would fall within this category. Perhaps surprisingly, only between 35% and 59% of topics raised related to budget measures, with an average of 47%. Victoria had the greatest focus on budget measures, with an average of 61% (ranging from 42% to 81%) of the topics raised. Queensland had an average of 35% (22% to 43%) and South Australia with 45% (18% to 49%). The lesser focus on budget measures in Queensland and South Australia may reflect the portfolio-based nature of the estimates committees, and that they are not ongoing standing committees, as opposed to the more specialised PAEC in Victoria with a focus on public finance matters.

Topic 2 – Policy

On average, 9% of topics raised related to government policy (ranging from 6% to 13%). Again, Victoria had the highest average of 14% (from 6% to 27%), with the highest incidence occurring in the lead up to the 2014 state election. This increase prior to an election was not replicated in Queensland with an average of 8%, and South Australia had a very low number of topics in this category, ranging from nil to 8% of topics raised, with an average of 4%.

Topic 3 – Operational matters

Of those topics categorised as operational matters, they comprised between 10% and 36% (average of 21%) of the total raised. Queensland had the greatest focus on this topic with an average of 26%, followed by South Australia with 20% and Victoria with 11%. Similar to the observation regarding the budget measures topic above, the higher focus on operational matters in Queensland and South Australia may be related to the portfolio-based nature of the estimates committees, as opposed to the public finance focussed PAEC in Victoria, along with the previously mentioned presentations and questionnaires.

Topic 4 – Other

Finally, between 5% and 20% (average of 11%) of the total topics raised were considered to fall outside the previous three categories, and were classified as *Other*. South Australia averaged 31%, Queensland 26% and Victoria 14%.

Conclusions and future research

Consistent with the recent study by Bowrey et.al. (2015), approximately half of the topics raised by parliamentarians in the Hansard documents considered were in reference to the budget documents being examined, and questions focussed more on budget measures than government policy or operational matters. Although there was an expected focus in the questions asked regarding specific budget decisions and fiscal targets, there was also a considerable focus on operational and other matters unrelated to the budget documents being examined.

Differences between the three jurisdictions were apparent, however, with the PAEC in Victoria tending to focus less on operational matters than the portfolio based committees in Queensland and South Australia. This may inform future reforms of estimates committee systems in Australian and other jurisdictions, with standing committees appearing to provide more comprehensive scrutiny of the budget estimates. Additional information gathered through interviews with members of both select and standing estimates committees could explore this further. Similarly, future research could examine if the additional information contained in

Victoria's pre-meeting questionnaires would alter this result if those topics were also included in the analysis.

Interestingly, the stage in the election cycle did not always have a significant or predictable impact on the average number of topics, or the focus of those questions. Consideration of estimates committee records over a longer time period may produce different results, as political priorities, associated budget commitments and the political parties forming government would differ over time.

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