

Making it

Parliamentary consideration of the Budget

Every year there are two events that are renowned for stopping the nation – one is the running of the Melbourne Cup, the other is the presentation of the Federal Budget. Both events generate a tremendous amount of speculation in the media – who will be the winners and who will be the losers.

At 7.30pm on Tuesday 9 May all eyes will be focused on the House of Representatives when Treasurer Peter Costello brings down the Howard Government's fifth budget. Two days later, also at 7.30pm, Opposition Leader Kim Beazley will present the Opposition's response to the Budget. Both the Budget speech and the Opposition reply are televised live.

'a detailed report on the nation's finances'

The Budget cycle

The Budget involves considerably more than just two speeches made two days apart. It is a set of proposals, put to the Parliament for approval, for the funding of government activity and services for the coming year. This proposal is in the form of three Appropriation Bills. In putting the bills forward, the Government gives a detailed report on the nation's finances and sets out its policies for revenue raising (taxation) and expenditure for the next financial year. Under the Constitution all expenditure of public money must be approved by Parliament – the Government cannot spend taxpayers' money without the agreement of Parliament.

The introduction of the Appropriation Bills on Budget night is the culmination of an annual Budget cycle by which the nation's finances are managed. Key dates in that annual cycle are:

1 July – start of the financial year.

October/November – the period for additional or supplementary estimates, when Commonwealth Departments can seek additional funds that they need for the current financial year.

May – the presentation of the Budget, involving the introduction of the main Appropriation Bills which appropriate money for expenditure by the Government and the Parliament for the next financial year.

30 June – end of the financial year.

Parliamentary passage of the Budget

Having the Budget passed by Parliament essentially means passing the Appropriation Bills. This authorises the Government to spend money for the programs and services set out in the bills. Appropriation Bill (No. 1) covers annual expenditure for normal government services, namely those services that are delivered by government agencies as part of existing government

policies. Appropriation Bill (No. 2) covers new capital expenditure and payments to the states. The Appropriation (Parliamentary Departments) Bill covers expenditure for the running of Parliament.

The passage of the Appropriation Bills through Parliament essentially follows the same stages as apply to the passing of any other bill, but it is important to note that the Budget's journey must begin in the House of Representatives. The main steps are:

- 1. Introduction of the Budget** – the Treasurer presents Appropriation Bill (No.1) to the House of Representatives.
- 2. The Budget Speech** – this is a second reading speech on Appropriation Bill (No.1). In it the Treasurer compares the estimates of the previous financial year with actual expenditure, reviews the economic condition of the nation and states the anticipated income and expenditure for the current financial year.
- 3. Other Budget business** – the Treasurer presents the Budget Papers and the other Appropriation Bills. Proposals for major new programs and services are sometimes contained in separate bills which include the detailed administrative arrangements for the new program, as well as the authority to spend (or appropriate) money to implement it. These bills may be introduced on Budget night or may follow some time later. Taxation bills and tariff proposals may also be introduced. While these additional bills are part of the Budget 'package' outlined by the Treasurer in his Budget speech on Appropriation Bill (No. 1), they progress separately through the Parliament.
- 4. Budget debate and consideration in detail** – Members of the House debate the Appropriation Bills extensively and in detail. This normally continues for several weeks. At the end of the process, the bills, if passed by the House, then go the Senate.



Opposition Leader Kim Beazley will deliver the Opposition's response to the Budget on 11 May 2000.

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5. Senate debate – the Senate debates the Appropriation Bills. This includes consideration by Senate Estimates Committees. Any amendments to the bills proposed by the Senate are returned to the House for its consideration.

6. Assent by the Governor-General – once the two Houses have passed the Appropriation Bills, they are sent to the Governor-General for royal assent. Once the bills are assented to they become law and the Budget is said to have 'passed'. Expenditure proposals contained in other bills associated with the Budget cannot be implemented until they too have passed both Houses and been assented to.

Members' role

Members of the House, including Ministers, Shadow Ministers and backbenchers, all participate in the Budget debate. The scope of the discussion during the Budget debate is virtually unlimited, covering both the specific initiatives in the Budget as well as the broader policies underpinning those initiatives.

However, debate on the Budget by Members is not confined to the House of Representatives Chamber. As part of their representative role, Members inform the community about the Budget measures and also provide a channel through which



Treasurer Peter Costello will deliver the Howard Government's fifth Budget on 9 May 2000.

community feedback on the Budget can be presented to Parliament. The telephone and fax numbers and address of your Federal Member are listed in your local telephone directory under the name of the Member. Members' contact details are also on the Internet at www.aph.gov.au/house/members. The Australian Electoral Commission in your state or territory can tell you the name of your Federal Member.

More information on the Budget process can be found in *Factsheet No. 10: The Budget and Financial Legislation* available on the Internet at www.aph.gov.au/house/info/factsht or telephone the Chamber Research Office on (02) 6277 4685 or email: Chamber.Research.Reps@aph.gov.au

Finding out what's in the Budget – online

Printed copies of the 2000 Budget and related documents are available from Government Info Shops around the country (visit the web site at www.ausinfo.gov.au/infoaccess/ia_infoshops.htm or check your local telephone directory for contact details). The shops open around 7pm on Budget night and begin selling Budget material once the Treasurer has completed delivering the Budget Speech. Material can be pre-ordered.

Most material is also available online and there are several sites through which the material can be accessed. Treasury's main site for the Budget this year will be:

www.budget.gov.au

In order to relieve the load on that server, material will also be available at a number of alternative (or mirror) sites. These include:

Commonwealth Government Entry Point	www.fed.gov.au
AusInfo	www.ausinfo.gov.au
Department of the Treasury	www.treasury.gov.au
Department of Finance and Administration	www.dofa.gov.au

Budget documents are available in a number of formats, including HTML portable document (PDF) and rich text (RTF) formats. Some documents are very large and may not easily lend themselves to downloading, especially during peak periods.

What is available?

The Budget documents are many and varied. They include:

- the Budget Speech;
- Budget papers;
- Ministerial statements; and
- Press releases.

Following the Budget through Parliament

As noted opposite, having the Budget passed by Parliament essentially means passing the Appropriation Bills. These bills are generally subject to the same legislative processes as other bills. For a detailed description of following legislation online, see Issue 1 of *About the House* November/December 1999 at: www.abouthouse.aph.gov.au/issue1/11th_Story2.html

The Budget bills can be tracked using the same links that are used when following other legislation. The stages through the Senate also involve consideration by Senate Estimates Committees.

Speeches (including the Budget Speech) are recorded in *Hansard* at: www.aph.gov.au/hansard/index.htm

The bills are available from the Billsnet site at: www.aph.gov.au/legis.htm

The Parliamentary Library's analysis of the Budget is available at: www.aph.gov.au/library/pubs/index.htm