Speaker's Response to
Recommendation Number 2 of Report Number 14 of the
Standing Committee on Public Accounts

28 August 2008

Progress on the Development of an Appropriate Framework for the Assembly Secretariat's Annual Budget Reflecting the Latimer House Principles

In its report into "Annual and Financial Reports 2006-07" tabled on 3 July 2008, the Assembly's Standing Committee on Public Accounts recommended that:

> *"the Government and the Legislative Assembly Secretariat finalise their discussions on creating an appropriate framework within which to apply the Latimer House principles to the ACT and report to the Legislative Assembly before the last sitting day of the Sixth Assembly"*

This recommendation arose from evidence provided to the committee by me during public hearings into the annual financial report of the Secretariat for 2006-07. As part of that evidence, I outlined the Latimer House principles and how, in my view, they should apply to the Assembly Secretariat and, in particular, the development and setting of its budget. I explained how I had, on two occasions, raised these matters in discussion with budget cabinet and I indicated to the committee that I had sensed a willingness from budget cabinet to explore improved ways of framing and setting the Assembly Secretariat's budget. I have attached, for the information of Members, a copy of the relevant extracts from Hansard of my evidence to the committee.

It is important to note that there are already specific provisions in the *Financial Management Act 1996* (FMA) recognising the independence of the Assembly. However, more needs to be done to ensure that the legislature's budgetary arrangements are independent from the absolute control and of the Executive, which it rightly enjoys in respect of Executive agencies.

In accordance with the committee's recommendation, I am obliged to report to the Assembly on this matter. Despite the discussions I have had with budget cabinet on a number of occasions and the representations I have regularly made to the Treasurer, work on addressing changes to the way the Assembly budget is developed needs to be continued.

I hope that in the 7th Assembly, sensible progress can be made on this matter and I would encourage my successor to continues to pursue this matter with the Executive of the day.

Wayne Berry
Speaker

EXTRACT FROM PUBLIC HEARING OF PUBLIC ACCOUNTS COMMITTEE

29 NOVEMBER 2007

ANNUAL AND FINANCIAL REPORTS 2006-07

MR MULCAHY: Mr Speaker, in regard to issues of governance, I note your interest and expertise in the Latimer House principles for funding for the Secretariat. In particular, I am interested in your views on funding for the Secretariat. Can you explain how the Latimer House principles apply to the question of funding for the Secretariat and how such a system might operate?

Mr Speaker: From my point of view, it has been extremely important to establish a clear separation between the Assembly and the executive in relation to funding arrangements. In the past, that has not been as clear as I would have liked. That is why I took the matter up with the executive with a view to appearing before budget cabinet. I have appeared before budget cabinet twice now. Whilst we could go further, we are at the stage of developing how we might do that. I sense that there is an acceptance that these principles are appropriate for application here in the territory, but it is new to the executive and new to us as a legislature. There is some refinement that I think is necessary. I know that there are continuing discussions between officers from the Secretariat and officers from Treasury. I look forward to further changes in the way that we deal with the funding for the Assembly.

MR MULCAHY: For the benefit of my colleagues, Mr Speaker, it might be helpful if you could just explain how these principles work and how they might operate in our environment.

Mr Speaker: I have a little statement here that might be useful. The Latimer House principles on the three branches of government were endorsed by the Commonwealth Heads of Government meeting in Nigeria in 2003. The principles were directed towards articulating an effective framework to particularly apply the separation of powers doctrine for parliament, the judiciary and the executive. These principles state that, in relation to budgets for a legislature, an all-party committee of members of parliament should review and administer parliament's budget, which should not be subject to amendment by the executive. During discussions on the formulation of the 2007-08 budget, I raised this matter with the executive, both in correspondence and when I appeared before the budget estimates committee. Whilst the issue is not yet finalised, I have again flagged the matter in the context of the 2008-09 budget; and, as I mentioned earlier, officers of the Secretariat have had some discussions at officer level on the matter in recent weeks. I will keep the Assembly informed as developments occur in relation to that, but it is my intention to further strengthen that separation to the extent mentioned in the Latimer House principles.

MR MULCAHY: In relation to that, can I ask: would you go as far as recommending reforms along these lines for the ACT? If so, how would you recommend that the territory government proceed to implement these principles?

Mr Speaker: I think it is extremely important to discuss these matters in detail and Public Accounts—29-11-07 4 Mr W Berry and others refine it without the Assembly coming into unnecessary conflict with the executive. That is the basis of my approach with the executive on it. One can understand that there may be a time when the legislature has particular demands which might be in conflict with the budgetary position of the executive. One would not want to have a set of circumstances which led to an unseemly conflict over those issues. I think we have to work up an understanding which ensures that the legislature can accommodate the circumstances that the Treasury might find itself in but at the same time ensure that government policy does not interfere with the funding of the legislature. What I am saying to you is that we are still working on it. There is some refinement to occur, but I think that we have made some good progress so far.

MR MULCAHY: I think that one of the elements is that there is merit in having a bipartisan approach from the Assembly to try and ensure that we get balance but also have a collective approach to the requests for funding.

Mr Speaker: That is true. The bipartisan approach would come by reference to the administration and procedures committee and, after that with my direct contact with the Treasurer and the budget cabinet.

THE CHAIR: Would that range of expenditure include salaries for staff?

Mr Speaker: That is something that is determined by the Chief Minister at this point. It is not something that I have contemplated directly but it is not something that could be ruled out, I would think. It is something that might develop from these discussions. Do any of my officers have anything to say on it?

Mr Duckworth: I agree entirely with what you said. Mr Speaker's comments are a very accurate assessment. Currently, the resources made available to non-executive members for staffing are set by the Chief Minister under the Legislative Assembly (Members' Staff) Act. Any change to that arrangement would require an examination of those legislative provisions. But I agree, too, that there are other parliamentary jurisdictions that adopt different models for the resourcing of the parliament. There is an opportunity to explore other models always.

Mr Speaker: It can be argued that the resources available to members through staff salary allocations can restrict members' ability to hold the government to account. That is possibly something that we can develop as time passes.