

# Financial Independence of Parliament

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AUSTRALIAN DEMOCRATS ACTION PLAN  
FINANCIAL INDEPENDENCE OF PARLIAMENT  
PRIME MINISTER & CABINET

*Under Australia's Constitution, the separation of the Parliament from the Executive is a fundamental principle. However, the funding arrangements for the Australian Parliament are closely aligned with the budgetary requirements established by the Executive Government of the day. The Australian Democrats believe that a strong, well resourced, properly funded, independently-minded and fully effective Parliament is only possible with financial independence from the Executive.*

## Our Action Plan

Continue to campaign for an Australian Parliament that has financial independence within a sound accountability framework.

*"...greater financial autonomy, together with enhanced management and scrutiny, is a desirable reform for Australia's parliamentary administration; there is no more important power for a parliament than control over its resources."*

**Hon David Hawker MP**  
**Speaker of the House of**  
**Representatives**  
**Parliament of Australia**  
**2006**

## Issue One: why parliamentary financial Independence is necessary

The separation of powers is a vital democratic safeguard. The Executive governs and the Parliament authorises its actions. A fundamental duty of the Parliament is to accept or reject the Executive Government's proposed spending program. The Parliament does not involve itself in the process of setting the Government's budget because it is independent of, and separate from, the Executive Government. Its primary role is to accept or reject the budget. Yet the Executive does not extend that same principle to the Parliament, and involves itself in deciding the Parliament's budget. Change is needed because

- The relationship between the Parliament and the Executive depends on the mutual democratic respect which accompanies the principle of the separation of powers within Australia's constitutional framework;
- A genuine separation of powers demands that the Parliament not be financially subordinate to another power;
- A financially hamstrung parliament cannot adequately scrutinise or hold fully accountable the actions of the Executive, for instance if the Executive withholds funds without cause, or limits the funds available for an effective independent committee system, or for adequate independent research.

## Budgetary processes in other parliaments

Other parliaments that have similar constitutional frameworks and democratic and parliamentary traditions to Australia have found a solution that balances the need for parliamentary financial independence with sound and responsible budgeting



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processes. Having a body of parliamentarian from across the political spectrum works well, responsible for developing the parliament's budget and to review and administer it, with Executive input and independent audit.

Parliaments with these systems include: the United Kingdom, which has the House of Commons Commission; unicameral New Zealand, which has the Parliamentary Service Commission; Canada, which has the Board of Internal Economy in its House of Commons; and Sweden, which has the Board of Administration in its Swedish Riksdag.

## Issue Two: the reforms that are necessary

The Australian parliament has never enjoyed financial independence, and many concerned citizens believe that the Executive in Australia is now mightier than it has ever been, and the Parliament more under its sway than it has ever been.

The Democrats consider the following reforms essential:

- Whilst the Parliament does presently have its own separate Appropriation Bill, the Executive maintains a tight hold over its content. The Democrats believe that there should be a Joint Standing Committee of both Houses of the Federal Parliament that is responsible for planning the budget of the Parliament. The Government should not hold a majority on that committee.
- The Government must be obliged to accept the recommendation of the Committee with respect to funding, unless there are pressing reasons in the national interest not to. In that case, the Government must publish full reasons for not accepting the Committee recommendations. This places political and policy constraints on both the Parliament and Government without removing Executive determination and Parliamentary authorisation and independence. It provides an appropriate check and balance.
- Where the recommendations are accepted, the Government should not be politically or administratively answerable for the amounts appropriated and spent. Parliament's Presiding Officers should have that responsibility.
- Parliament must be audited annually and be fully subject to the Auditor General's normal accountability measures.

The Democrats consider that these reforms are a necessary condition for the full exercise of proper power by an independent Parliament. These reforms would also go some way to enhancing the standing of Parliament and its members.



### CONTACT US

(03) 9416 1880

Lv 1, 62 Wellington Parade, East Melbourne VIC 3002

[inquiries@democrats.org.au](mailto:inquiries@democrats.org.au)

Authorised by Jack Evans, 5 Poinciana Place, Wanneroo WA 6065  
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