

## **ADVISORY PAPER NO. 5 - APPROPRIATION BILLS AND FINANCIAL PROCEDURES**

### **The Budget process, following from Advisory Paper No. 4.**

1. In many Parliaments following the Westminster tradition the rather convoluted financial procedures which they inherited have been replaced by more streamlined processes. Committees of Ways and Means and Supply are a thing of the past.
2. Basically the procedures are the same as applies to the passage of bills. Instead of having first an Estimates debate, secondly a Committee of Supply debate and thirdly an Appropriation Bill passed; at the outset the Minister of Finance simply introduces the Appropriation Bill. The Bill does not require notice so it is presented and read a first time and then the Minister gives the Budget speech when moving the second reading. The debate is then adjourned to a future day when the second reading debate takes place replacing the Estimates debate. Once the second reading is agreed to the Assembly would resolve itself into Committee of the whole and the debate in committee would replace the Committee of Supply stage following the same procedures as provided for in Standing Order 65. After the committee of the whole consideration, the Assembly would proceed to the third reading obviating the need to now introduce a bill. Thus three separate processes are combined into only one.
3. Currently the Estimates of Revenues and Expenditure are laid before the Assembly by the Minister of Finance when he delivers the Annual Financial Statement or Budget Speech. The Minister then moves for the approval of the estimates and the debate is adjourned to a future day in accordance with Standing Order 61.

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4. The Assembly resumes the debate not less than two days after the Budget Speech and concludes it within 5 days. The estimates are then committed to the Committee of Supply for further consideration (see Standing Orders 61 and 62).
5. After a debate taking up to a maximum of 7 days the consideration in the Committee of Supply is reported back to the Assembly and the motion for approval is resolved. There are a number of Standing Orders regarding these processes, Standing orders 61, 62, 63, 64, 65 and 66.
6. Once the estimates have been approved the Appropriation Bill is introduced and passed in accordance with the procedures detailed in Standing Order 67.
7. The reforms suggested in paragraph 2 reflect what most other Parliaments in the Westminster tradition including UK House of Commons have done. There is only one consideration of the estimates brought about by the introduction of the Appropriation Bill.
8. Neither the Minister making the Budget Speech nor the Leader of the Opposition or a Member deputed by him in responding should be subjected to time limits. Both should be accorded a national broadcast (and see the recommendation on broadcasting at page 35 of the Needs Assessment).
9. If the procedure was to be adopted changes to both the Constitution and the Standing Orders would be required but it would be a matter for the Standing Orders Committee to consider.

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10. The benefits are that the procedure is a regular procedure, the bills procedure, known to all Members and not just a one-off process followed each year or twice a year if there is a supplementary Appropriation Bill.

11. The following Standing Orders would give effect to this proposal:

## **FINANCIAL PROPOSALS**

### **61 Notice not required for certain Bills or proposals**

**A Minister may present without notice an Appropriation Bill or a bill or proposal dealing with taxation.**

### **62 Taxation proposals initiated by Minister**

- (a) Only a Minister may initiate a proposal to impose, increase, or decrease a tax or duty, or change the scope of any charge.**
- (b) Only a Minister may move an amendment to the proposal which increases or extends the scope of the charge proposed beyond the total already existing under any Acts of Parliament.**
- (c) A Member who is not a Minister may move an amendment to the proposal which does not increase or extend the scope of the charge proposed beyond the total already existing under any Acts of Parliament.**

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12. Standing Orders relating to bills would also have to be amended, as follows:

**48 Second reading of Bills and second reading amendment**

- (a) **On the second reading of a Bill a debate may arise covering the general merits and principles of the Bill except on the motion for the second reading of the Appropriation Bill when public affairs may be debated.**
- (b) **An amendment to the question -**

**That this bill be now read a second time -**

- (i) **must be relevant to the bill;**
- (ii) **may propose to omit words from the question in order to substitute words stating the object and motive on which the opposition to the bill is based;**
- (iii) **may propose to leave out “*now*” and add “*upon this day six months*”, which, if carried, shall finally dispose of the bill;**
- (iv) **must not propose the addition of words to the question; and**

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- (v) **must not anticipate an amendment which may be moved during the committee stage.**
  
- (c) **For the Appropriation Bill for the ordinary annual services of government, an amendment to the motion may relate to public affairs beyond the scope of the bill.**

#### **49 Committal of Bills**

- (a) **When a bill has been read a second time it shall stand committed to a Committee of the Whole Assembly, unless the Assembly commits it on motion without notice or debate to a Select or Sectoral Committee.**
  
- (b) **When a bill has been committed to a Select or Sectoral Committee, no further proceedings shall be taken thereon until the committee has presented its Report to the Assembly.**
  
- (c) **A bill, under consideration in Committee of the Whole, may, on motion of the Assembly, be withdrawn from that committee and be referred to a Select or Sectoral Committee, and reference to the Select or Sectoral Committee may be in respect of the bill as a whole, or to specified clauses.**

**50 Functions of Committees on Bills**

- (a) Any Committee to which a Bill is committed shall not discuss the general merits and principles of the Bill but only its details.**
- (b) Any such committee shall have power to make an amendments to the bill:**

**Provided that the amendment, including new clauses and new schedules, are relevant to the bill; but if an amendment is not within the title of the bill the title shall be amended accordingly and the amended title be reported to the Assembly.**

**Provided further that, if the amendment is to the Appropriation Bill or a bill or proposal imposing taxation, the amendment must conform to the provisions of Standing Order 62.**

**51 Order in considering Bill**

- (a) A bill shall be considered in the following order:**
  - (i) clauses and proposed clauses, in numerical order;**
  - (ii) schedules and proposed schedules, in numerical order;**



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13. Constitution article 218 which reflects the same wording as the Standing Orders would need to be amended.

JAMES PENDER  
Parliamentary Staff Advisor