



1954.

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA.

JOINT COMMITTEE OF PUBLIC ACCOUNTS.

SEVENTEENTH REPORT.

MISCELLANEOUS INQUIRIES.

THE CLEANING OF COMMONWEALTH OFFICES.

THE STEAM RAISING PLANT OPERATED BY THE DEPARTMENT OF WORKS
AT REPATRIATION HOSPITALS.

THE USE OF STATE ESTATE DUTY ASSESSMENTS FOR COMMONWEALTH
ESTATE DUTY PURPOSES.

GRANTS TO QUASI-GOVERNMENTAL AND PUBLIC ORGANIZATIONS.

THE COMMITTEE AND PUBLIC SECURITY.

JOINT COMMITTEE OF PUBLIC ACCOUNTS.

(Appointed 11th August, 1954.)

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Canberra, A.C.T.

THE DUTIES OF THE COMMITTEE.

Section 8 of the *Public Accounts Committee Act 1951* reads as follows:—

8. The duties of the Committee are—

- (a) to examine the accounts of the receipts and expenditure of the Commonwealth and each statement and report transmitted to the Houses of the Parliament by the Auditor-General in pursuance of sub-section (1.) of section fifty three of the *Audit Act 1901-1950*;
- (b) to report to both Houses of the Parliament, with such comment as it thinks fit, any items or matters in those accounts, statements and reports, or any circumstances connected with them, to which the Committee is of the opinion that the attention of the Parliament should be directed;
- (c) to report to both Houses of the Parliament any alteration which the Committee thinks desirable in the form of the public accounts or in the method of keeping them, or in the mode of receipt, control, issue or payment of public moneys; and
- (d) to inquire into any question in connexion with the public accounts which is referred to it by either House of the Parliament, and to report to that House upon that question, and include such other duties as are assigned to the Committee by Joint Standing Orders approved by both Houses of the Parliament.

JOINT COMMITTEE OF PUBLIC ACCOUNTS.

SEVENTEENTH REPORT.

MISCELLANEOUS INQUIRIES.

1. In this Report, the Committee records the results of its examination of witnesses at Canberra on 6th-14th September, 1954, in regard to—

- (a) The cleaning of Commonwealth Offices (paragraphs 3 to 20).
- (b) The steam-raising plant operated by the Department of Works at Repatriation Hospitals (paragraphs 21 to 38).

(c) The use of State estate duty assessments for Commonwealth estate duty purposes (paragraphs 39 to 40).

(d) Grants to quasi-governmental and public organizations (paragraphs 47 to 50).

2. The Report also includes a letter from the Prime Minister dealing with the attitudes that Ministers and departmental witnesses might adopt when questions involving public security were raised.

COMMONWEALTH OFFICE CLEANING.

3. The Administrative Arrangements Order assigns to the Department of the Interior responsibility for "accommodation of Commonwealth Departments" and, by virtue of this responsibility, that department controls the cleaning arrangements for the greater part of the Commonwealth offices. Exceptions to this rule are the buildings of the Postmaster-General's Department, many of the buildings of the Department of Trade and Customs, and some Service departments' buildings, where the cleaning is arranged by the department occupying the building.

4. The Committee examined the methods by which the cleaning of the Commonwealth offices is undertaken and the costs of cleaning. For the purpose, statements were obtained from the departments involved and evidence was taken from a representative of the Department of the Interior on 6th September, 1954, in Canberra.

5. Office cleaning is undertaken either by departmental staff or by private agencies at a fixed charge. The departmental staff are usually employees exempted from the provisions of the Public Service Act.

6. The cost to the Department of the Interior of cleaning both its own offices and the offices of other departments is charged to its own vote, i.e. salaries and wages to Department of the Interior Division 61—*Salaries and payments in the nature of salaries, and materials and contract payments to Division 61a (5)—Office cleaning, other than salaries.*

7. The following table summarizes briefly how much office space is cleaned by the Department of the Interior and by the other departments mentioned, and how much is undertaken by departmental staff and by private agencies under contract:—

TABLE No. 1.—COMMONWEALTH OFFICE CLEANING—AREA AND COST, 1953-54.

Department.	By Departmental Staff.		By Contract.		Total.	
	Area.	Cost, 1953-54.	Area.	Cost, 1953-54.	Area.	Cost, 1953-54.
	sq. ft.	£	sq. ft.	£	sq. ft.	£
Interior (*)	2,537,672	417,692	588,606	56,132	3,126,178	473,824
Other Departments (*)—						
Air	31,700	4,284	17,782	1,376	49,482	5,660
Army	299,740	28,237	33,000	2,160	292,740	30,397
Defence	654,355	76,292	..	..	654,355	76,292
Joint House	169,344	20,625	..	..	169,344	20,625
Navy	160,080	23,236	4,500	898	164,580	24,134
Postmaster-General's	741,000	97,800	19,400	1,700	760,400	99,500
Trade and Customs	203,041	31,060	2,740	156	205,781	32,116
Total, Other Departments	3,210,240	287,413	77,422	6,280	3,287,662	393,693
Total	4,746,912	705,105	666,028	62,412	5,412,940	767,517

(*) For itself and other Departments. (*) On their own behalf.

There are, in addition, other departments which control the cleaning of relatively small areas of office space.

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8. Departmental staffs do the bulk of the work and the Department of the Interior has, by far, the greatest area under contract.

9. The costs to these departments of cleaning in the various States for 1953-54 were obtained and are listed in the following table:—

TABLE No. 2.—COST OF CLEANING CERTAIN COMMONWEALTH OFFICES, 1953-54—AVERAGE COST PER SQUARE FOOT PER ANNUM.

(A) BY DEPARTMENTAL STAFFS.

Department.	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.
Interior—						
Yearly cost	(a) £99,853	£90,636	£28,417	..	£1,720	£308
Per square foot per annum	3s. 10½d.	2s. 5.6d.	2s. 11.3d.	..	2s. 6d.	4s. 10d.
Air—						
Yearly cost	£902	£2,408	£834	..	£330	..
Per square foot per annum	2s. 5.3d.	2s. 4.0d.	2s. 0.7d.	..	1s. 10d.	..
Army—						
Yearly cost	£18,613	..	£5,834	£892	£2,351	£2,747
Per square foot per annum	2s. 7.6d.	..	2s. 6d.	1s. 8.6d.	1s. 0.4d.	2s. 2.6d.
Defence—						
Yearly cost .. .. .	..	£70,292	..	..	..	..
Per square foot per annum .. .. .	..	2s. 4.5d.	..	..	..	..
Navy—						
Yearly cost	£17,665	£4,527	£1,044	..	£5,100	..
Per square foot per annum	3s. 6.6d.	2s. 10d.	4s. 10d.	..	4s. 9d.	..
Postmaster-General's—						
Yearly cost	£30,200	£25,100	£18,600	£13,200	£7,000	£3,700
Per square foot per annum	2s. 10d.	2s. 7d.	2s. 9d.	2s. 6d.	2s. 2s.	2s. 6d.
Trade and Customs—						
Yearly cost	(b) £17,245	..	£2,718	£4,648	£3,023	£1,102
Per square foot per annum	4s. 2d.	..	1s. 7d.	3s. 0d.	1s. 10d.	2s. 3d.

(a) Average of both departmental and contract costs.

(b) Also Central Import Licensing Branch, Sydney—£3,103—3s. 0d. per square foot per annum.

Australian Capital Territory.	Total Cost.	Cost per Square Foot per Annum.
Department of the Interior (for all Departments)	£ 196,853	s. d. 3 10
Joint House Department (for Parliament House)	20,025	2 6.2

(B) BY CONTRACT.

Department.	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.
Interior—						
Yearly cost .. .. .	..	£47,059	..	..	..	£134
Per square foot per annum .. .. .	..	1s. 11.2d.	..	..	..	1s. 3d.
Air—						
Yearly cost	(a) £1,207	..	..	£169	..	..
Per square foot per annum	2s. 5.3d.	..	..	1s. 6.5d.	..	..
Army—						
Yearly cost .. .. .	..	..	..	£2,150	..	..
Per square foot per annum .. .. .	..	..	..	1s. 3.7d.	..	..
Navy—						
Yearly cost	£826	..	..	..	£72	..
Per square foot per annum	3s. 8d.	..	..	..	(Windows)	..
Postmaster-General's—						
Yearly cost .. .. .	..	£1,700	..	..	..	..
Per square foot per annum .. .. .	..	1s. 9d.	..	..	..	..
Trade and Customs—						
Yearly cost .. .. .	..	..	..	..	£156	..
Per square foot per annum .. .. .	..	..	..	..	(Windows)	..

(a) Average of both departmental and contract costs.

AUSTRALIAN CAPITAL TERRITORY.

Department of the Interior (Acton Offices)—

Total cost—£8,639

Per square foot per annum—2s. 4.25d.

The Department of the Interior also informed the Committee that it had just let a further contract for the Australian Capital Territory—the Patens Office and Telopea Park School, for £9,650 per annum or 1s. 8d. per square foot per annum. The Committee has included the annual cost in each case in order to indicate the amount of cleaning involved so that particular instances of high or low costs will not be over-emphasized.

10. There is a wide range of unit costs from department to department, from State to State within a department, and between cleaning by departmental staff and contract. The Department of the Interior provided the Committee with a copy of the standard conditions of contract used by its Branches for contracts with private agencies. The conditions include a specification of the standard cleaning procedure observed by the Department. Variations in the standard of cleaning from office to office would, the Committee appreciates, be inevitable and could, to some extent, explain the differences in costs per square foot per annum.

(i) CLEANING COSTS OF THE DEPARTMENT OF THE INTERIOR.

11. In New South Wales costs are particularly high (3s. 10½d. per square foot) by comparison with those of other States. The Department claims that contract cleaning has not been introduced in New South Wales, partly because the departmental cleaning staff includes a fairly high percentage of over-experienced. It now considers that the question of letting contracts for cleaning in New South Wales should be investigated.

12. In Victoria the position is as follows:—

Area cleaned by departmental staff—	Square feet.	Cost per square foot per annum.
Albert Park barracks	554,000	a. d. 5 0
Other offices	195,000	2 5.6
Area cleaned by contract	734,000	1 11.2

Departmental cleaning of the Albert Park Barracks is a war-time decision which has never been altered. The department has, at the insistence of the Committee, ascertained that the Departments of Air, Army and Navy have no objection to contract cleaning of their portions of these barracks. The Department of Defence, which occupies at least two blocks, would prefer the present arrangements to continue and if contract cleaning were introduced, would require a higher security check of the contractor and his employees. The Department of the Interior stated that the name, age, and last place of employment of these employees were referred to the Commonwealth Investigation Service for checking. The form of contract with private agencies also provides for a security screening of the employees of each agency in these terms:—

The contractor shall submit to the Property Officer at least seven days prior to his commencement of the cleaning of the premises, or within such time as the Property Officer may allow after application in writing by the contractor, a list of the names and addresses of all persons who will be employed by him in the cleaning of the premises. At least seven days prior to any other person whom the contractor proposes to employ in the cleaning of the premises commencing duty the contractor shall submit to the Property Officer the name and address of each such person. The Property Officer may then, and without being bound to give any reason, by notice in writing, direct that the contractor shall not employ in the cleaning of the premises any or all of the persons whose names were submitted and the contractor shall comply with the direction immediately.

13. There is keen competition in Victoria for cleaning contracts. As many as fifteen to twenty tenders are received for each contract advertised, which leads the Department of the Interior to believe that this is one of the main reasons for the low contract cleaning costs in that State.

14. The Department of the Interior has supplied the Committee with details of the Victorian contracts for cleaning. The contracts commenced at dates mainly in 1951-53 and show that even cheaper contract prices may be possible. Despite the evidence of the costs, the Department has only recently considered the extension of contract cleaning to those offices at present cleaned by departmental staff. In a subsequent statement, dated 20th September, 1954, the department told the Committee that retrenchment of certain staff is taking place and will be completed in the immediate future. The cost will be reduced from £90,636 per annum to about £70,065—i.e., to an average of 1s. 10.9d. per square foot per annum.

15. In Queensland, costs are higher for the Commonwealth Offices, Anzac-square, Brisbane (125,420 square feet) than at other buildings. The Department of the Interior explained that the occupying departments had insisted on a polishing every day instead of once a week as is accepted in other Commonwealth offices. Investigations are now being made in Brisbane to ascertain what contract cleaning costs might be. The preliminary inquiries suggest that a contract figure of about 2s. per square foot could be obtained and this would be a substantial reduction on present costs.

16. In Western Australia the department plans to consider contract cleaning for the new Commonwealth offices in Wellington-street, Perth.

(ii) CLEANING COSTS OF OTHER DEPARTMENTS DOING THEIR OWN CLEANING.

17. These departments were asked for explanations of the variations in costs from State to State and their replies are as follows:—

Department of Air.—The department cleans the Albert Park Barracks, Melbourne, for security reasons and the costs are high because of the amount of machinery installed. The costs at Sydney are high because it is necessary to have a day cleaner to clean wash rooms, lavatories, passages, glass partitions, &c. The office space is on three floors.

Department of the Army.—No explanation can be given of the variation in cost from State to State. The South Australian contract is "not entirely satisfactory. Cost of maintaining at high standard of cleanliness would be approximately £4,500".

Department of the Navy.—Variations would be accounted for to an extent by differences in types of accommodation, viz., offices, storage space, &c.

Department of Trade and Customs.—The department is unable to offer a satisfactory explanation for the much higher costs in New South Wales. The department proposes to change over shortly to contract cleaning in the Sydney Customs House as inquiries show a considerable saving will be made.

Postmaster-General's Department.—The average cost of cleaning in each State is affected by the suitability of labour available, the need to provide temporary employment for officers who on the advice of the Commonwealth Medical Officer are not fit to carry out their normal duties, the type of construction, the age and location of buildings, and the staff density.

Moreover, the wages of female office cleaners vary as between States, e.g., in Sydney the average is 6s. 7d. per hour as against 4s. 10d. in Adelaide.

Parliament House.—It will be readily understood that the method and frequency of cleaning differs to a marked degree from the conditions laid down for other public buildings. Whereas specific conditions can be laid down for the cleaning of the latter, the extent to which various portions of the House are cleaned depends very largely on the sittings of the Parliament. For example, while during sessions of the Parliament some 203,000 square feet are cleaned daily, in addition approximately 28,000 square feet have to be cleaned twice daily. On the other hand, the estimated area which has to be cleaned daily during recess is reduced by 64,784 square feet, but during that period the opportunity is taken to cover periodical cleaning which cannot be adequately carried out during session. Therefore, the information is submitted on the basis that Parliament is in session for six months in the year.

The net effective area cleaned daily throughout the year is therefore 109,344 square feet, which, divided into the total estimated expenditure for 1953-54 gives a cost per square foot of 2s. 5d.

18. It seems to the Committee that the departments have paid insufficient attention to cleaning costs: and that there has been no regular overall review of the costs of all departments such as has been undertaken in this Report. Consequently, there has been no comparison of the costs and methods of one department

STEAM RAISING PLANT OPERATED BY THE DEPARTMENT OF WORKS AT REPATRIATION HOSPITALS.

21. In its Fifteenth Report which deals with the Repatriation Department the 1952-54 Committee stated—

The raising of steam at the Concord, Heidelberg, Greenslopes, Springbank and Hollywood Hospitals is undertaken by the Department of Works and the cost is met from a separate vote in the Estimates, under the control of that department, for example, in 1952-53—

(Under the control of the Department of Works)

Division 210—Repatriation Establishments—Item 2. Operation and maintenance of equipment £300,000.

This is the bulk of the expenditure under this heading and the Repatriation Department obtains monthly the figures of expenditure from the Department of Works. The boiler-houses at the Caulfield and Eckhart Hospitals (and where they exist at other Repatriation institutions) are operated by the Repatriation Department.

Light, power and water accounts are paid by the Repatriation Department.

with those of other departments and no investigation of the reasons for the differences in procedures and contract forms that exist. The Committee believes there is a case for an early review of all cleaning costs and methods. Such a review would make it possible to obtain an explanation of the different situations found from department to department. The review should be undertaken by an expert in office cleaning. If a private consultant cannot be obtained, the Public Service Board and the Treasury should nominate an experienced officer for the task. In all, a sum of over £750,000 per annum is involved, and the evidence suggests that worthwhile savings can be made.

19. A further question is whether or not one department should look after all Commonwealth office cleaning. The Committee considers that there would be advantages in such an arrangement in that a special skill could be developed, and it would be possible to exercise a proper supervision of all costs. The Department of the Interior stated that, it should be entrusted with the responsibility for all the cleaning done by civilian staff other than for the Postmaster-General's Department and Parliament House. Some degree of delegation by the Department of the Interior to other departments would, no doubt, be desirable.

20. If, upon examination, it is thought that the proposal is not justified, the Committee considers that the head office of the departments concerned should obtain regular returns of cleaning costs from their branches and there should be regular—say biennial—reviews of the costs of all departments by one authority. It would seem most convenient to impose this responsibility upon the Department of the Interior, subject to that department reporting its findings to the Public Service Board and the Treasury.

The Repatriation Department's view is that, in the light of the responsibility of the Department of Works for the boiler-houses under its control, it is for the Department of Works to watch the costs of steam under those arrangements.

It seems to the Committee that, as the Repatriation Department is the department administering the hospitals and responsible for their operation, the Department of Works stands, in relation to the Repatriation Department, as a contractor operating the boiler-houses. The Repatriation Department should exercise a general supervision over the costs, comparing them with its own costs and pressing for economy in these instances where the costs appear to warrant it.

22. Its recommendation was—
The Repatriation Department should exercise constant surveillance over the costs incurred by the Department of Works in raising steam for and maintaining Repatriation hospitals.

23. The 1952-54 Committee had instituted a further inquiry into this matter and asked the Department of Works for essential information. The following table has been prepared from that information—

TABLE No. 3.—STEAM RAISING QUANTITIES AND COSTS.

Repatriation Hospital.	Estimate of Steam Evaporated, June, 1954.(*)		Number of Staff Employed.	Operating Cost per lb. Steam.				
	Total lb.	Lb. per in-patient day.		Fuel.	Labour.		Water.	Total.
					£.	d.		
(A) PLANT OPERATED BY DEPARTMENT OF WORKS.								
Concord, New South Wales	8,605	207.0	15	0.086	0.024	0.001	0.111	
Heidelberg, Victoria	11,007	371.0	19	0.079	0.035	0.001	0.115	
Greenslopes, Queensland	2,401	180.3	6	0.084	0.040	0.005	0.108	
Springbank, South Australia	2,838	275.0	5	0.092	0.025	0.001	0.118	
Hollywood, Western Australia	2,308	201.3	7	0.018	0.026	0.001	0.045	
(B) PLANT OPERATED BY REPATRIATION DEPARTMENT.								
Lady Davidson Home, New South Wales	(y)	1,122	103.2	3	0.093	0.042	0.002	0.127
Caulfield, Victoria	(y)	1,400	218.8	5	0.143	0.085	0.002	0.210

(*) Excluding laundry requirements of steam. (y) Average of March-May, 1954.

24. The Department of Works stated that the plant in each State was under the control of the State Director of Works. Reports were submitted to the State Director in respect of the plant for which he was responsible, but the head office of the Department did not take any action to review the conditions of the various plants and their operating efficiency. The inquiry which the Committee had initiated led to some head office interest in the operation of these plants and review was being made. It would be completed and possibly yearly reviews would be undertaken thereafter.

25. Particular points arising from differences revealed in Table No. 3 are discussed in the following paragraphs—

(a) DIFFERENCE IN POUNDS OF STEAM EVAPORATED PER IN-PATIENT DAY.

26. The quantity of steam required by laundries at the Repatriation hospitals has been excluded from the figures in Table No. 3. Statistics of out-patient attendances and staff "living in" at the hospitals do not appear to provide the explanation of the large differences in the quantities of steam evaporated per in-patient day. Climatic differences are important. The Department of Works has explained that, at Concord Hospital, all but twenty ramp wards are heated. At Heidelberg Hospital, all areas except the temporary hospital assistants' quarters are heated. At Greenslopes Hospital, the buildings are not heated and, at Springbank Hospital, all major wards are heated.

27. The Department of Works stated that the large figures per in-patient day at Heidelberg Hospital would be further investigated. The Repatriation Department suggested that the cause might be found in the fact that, as a war-time measure, steel pipes, instead of copper pipes, were installed for steam reticulation. The steel pipes have corroded badly and a high pressure of steam is necessary to force it through the reticulation system.

(b) DIFFERENCE IN OPERATING COSTS PER POUND OF STEAM EVAPORATED.

(i) Labour Costs.

28. A minimum boiler-house staff is maintained for continuous operation; in consequence the unit labour cost should be higher at the smaller plants, but this is not borne out by the figures in Table No. 3. The Department of Works has stated that it would inquire further into the number of employees at the Heidelberg Hospital where there are two separate boiler-houses, a situation which gives rise to some duplication of staff.

(ii) Fuel Costs.

29. Sawdust is the cheapest fuel for boiler-houses, but it is not readily available in adequate quantities in a number of States to justify conversion of the existing plant. To obtain a lower fuel cost, the Springbank Hospital boiler plant has recently been converted so that it can use furnace oil instead of diesel oil. Nevertheless the figures in Table No. 3 show that the unit fuel cost is the highest at Springbank Hospital. Further investigation into the fuel costs is promised by the Department of Works.

30. The Repatriation Department suggests that more modern methods of steam reticulation should be introduced into the hospitals in order to reduce the quantity of steam used.

31. The higher costs of the plant operated by the Repatriation Department are attributed to the smaller size of that plant. That, at the Lady Davidson Home, Turramurra, is operated by employees of the Department of Works who are paid by that Department with reimbursement from the Repatriation Department.

32. When dealing with the question of cost control, the 1952-54 Committee stated in its Fifth Report, the Department of Works that technical executives at all levels showed an insufficient appreciation of cost control. The Treasury Minute in reply to this quoted the following answer from the Department of Works—

A great amount of effort has been expended in an effort to instil cost consciousness and the basic principles of cost and expenditure control into all responsible officers of the Department. Moves to bring this about have been initiated by Head Office and the Assistant Director-General (Construction) has personally visited branches and individual projects to check the effectiveness of the measures adopted. It is considered that these efforts are having a beneficial effect.

33. The Committee's present investigation into the working of the steam plant has been to ascertain whether the supervision exercised by the Department of Works is satisfactory. The Committee has not been reassured. Some measures designed to achieve a more economic operation have been put in hand by individual Directors of Works but there has been no general approach to the essential questions of output and cost. The fact that the Department now proposes to take such action is a direct outcome of the Committee's inquiry.

34. The Committee has considered the question whether better results could be expected if the management of the plant were transferred to the Repatriation Department. At present, the estimates for the Repatriation Department include the vote for the cost of the plant under the heading "Under the control of the Department of Works". The Repatriation Department is responsible for the operation of the hospitals and cannot avoid being interested in having the plant working efficiently.

35. A somewhat similar situation in regard to the dual responsibilities of the Department of Territories and of Works for the Northern Territory Coal Stores and Water Supply was examined by the Committee in its Fourteenth Report. The Committee criticized the arrangement and recommended that a single authority should be given responsibility for the management of each utility. The Treasury Minute in reply to this recommendation stated—

The Department of Territories has advised that, while it agrees with the conclusions of the Committee, the Northern Territory Administration has not the technical resources to operate and maintain water, electricity and coal store undertakings at the present time. It, therefore, proposes immediately to procure the maximum co-ordination of the functions of the Department of Works and the Northern Territory Administration, and as soon as practicable to place the responsibility for each undertaking in a single authority. In the case of electricity and water, the Department of Territories is examining the possibility of establishing independent authorities, on which consumers would be given representation, as an alternative to continuing these services entirely as Government undertakings.

The Darwin Coal Stores were operated for defence purposes during the war period and have since been continued by the Northern Territory Administration. The Department of Territories favours the disposal of the Coal Stores to private enterprise provided this could be arranged upon satisfactory conditions, and that Department is pursuing the matter with this object in view.

The Treasury considers the action proposed by the Department of Territories to be a reasonable approach to the problems involved, and will further review the position when the results of the action being taken become known.

36. In the case of the steam plant, the Repatriation Department stated that it did not have any technical staff qualified to manage the plant. Further, the Department of Works itself had difficulty in obtaining sufficient technical staff for its own purposes. The view held by the Repatriation Department appears to be that, as the vote lies under the control of the Department of Works, the Repatriation Department is not responsible for it and has no right to question the management of the plant by the Department of Works.

37. The Administrative Arrangements Order states that the present in-patient and out-patient treatment in general hospitals or co-terminance is a function of the Repatriation Department. As the functions of the Repatriation Department include the management of a wide range of activities—hospitals, sanatoria, laundries, workshops, limb factories, clinics, hostels, the management of steam plant at its major hospitals might be added. There are strong arguments for having the management of all parts of the hospital in

THE USE OF STATE ESTATE DUTY ASSESSMENTS FOR COMMONWEALTH ESTATE DUTY PURPOSES.

39. The Commonwealth levies estate duty under the *Estate Duty Assessment Act 1914-1950* and *Estate Duty Act 1914-1941*. All States levy duty of a similar character, either as estate duty or succession duty. The legislation requires the submission of returns of assets and liabilities of the deceased estate to the State and Commonwealth taxation authorities for the assessment of duty. All authorities value the assets of the estate. The Commonwealth waits for the State assessment of duty because the amount of State duty is an allowable deduction for Commonwealth duty assessment purposes.

40. The Committee sought information whether or not the one valuation of the assets of an estate could be accepted by all authorities, which might result in a considerable saving in administrative costs for the Commonwealth and the States as well as for estates.

41. The Commonwealth Commissioner of Taxation submitted a comprehensive statement on the matter. He pointed out that although the idea of a common value appeared, on the surface, to be a commonsense one, the real position was quite different. Assets in respect of which differences in valuations could arise between the Commonwealth and State authorities were mainly—

- (1) Shares in private companies,
- (2) Life interests,
- (3) Realty.

The Commissioner furnished explanations on (1) and (2) as follows—

(1) Shares in Private Companies.

Little difficulty is experienced in valuing shares in a public company registered on a stock exchange. The value adopted in those cases is the market value on the date of death or as near thereto as practicable.

Owing to difficulties experienced in valuing shares in private companies, the Commonwealth and most of the States have found it necessary to enact statutory provisions regarding methods of valuation.

One difficulty arises from the fact that provisions in the memorandum or articles of association of a private company may depress from the viewpoint of an ordinary investor, the sale price of its shares—as, for example, restrictions on the transfer of shares. Again a private company may seek, in its own constitution, to prescribe a method of valuing the shares.

In order to circumvent these difficulties, the Commonwealth, New South Wales and Victorian Acts provide that the valuation of shares in a private company shall be made—

- (1) on the assumption that the memorandum and articles of association satisfy the requirements of the stock exchange at the place where the relevant share register is situated; and
- (2) without regard to any provision in the memorandum and articles of association relating to the valuation of the shares.

In Victoria there is a further provision that, in making this valuation the Commissioner may, in certain circumstances, disregard a variation in the rights attaching to any class of shares.

Broadly speaking, in the three systems mentioned above the basis of valuation is, as a general rule of practice, a notional market value ascertained having regard to the income-earning capacity of the share. It is further provided, however, that the basis of valuation may be, where the Commissioner considers the method appropriate, such sum as the deceased person would have received in the event of a voluntary liquidation of the company on the date of death.

the one authority. The Committee recommends that the management of the plant with the company concerned, should be transferred to the Repatriation Department, leaving the Department of Works in the position of technical consultants to advise the Repatriation Department as the occasion warrants.

38. The head office of the Repatriation Department should obtain regular returns on the operation of each plant and should examine them with the costs of other Repatriation institutions.

In Queensland, the only permissible basis of valuation is, in effect, the alternative just mentioned. In practice, the shares are valued on an assets basis, excluding goodwill and the estimated costs of realization.

In the Western Australian provision, two bases of valuing private company shares are prescribed, depending upon whether the company is a "proprietary company" (i.e., one in which not more than five persons hold at least two-thirds of the shares in the subscribed capital) or any other company the shares in which are not quoted on a stock exchange. The shares in a proprietary company are valued as if the company were a partnership and the shareholders were the partners therein. The shares in other non-public companies are valued on similar lines to the provisions of the Commonwealth Act, except that the alternative "voluntary liquidation basis" is not permitted.

The Acts of South Australia and Tasmania do not contain any provisions relating to the valuation of shares in private companies.

By reason of the close correlation of the Commonwealth and New South Wales provisions, it is possible, as a general rule, to reach agreement as to the valuation of private company shares. In other States, however, such agreement has not been achieved.

Differences of valuation arise chiefly in regard to goodwill, the Commonwealth valuation being almost invariably higher than the State figure. In one often alone, 50 per cent. of the Commonwealth valuations of shares were higher than the State valuations, the aggregate increase being about £200,000 over a period of twelve months.

Such higher values have frequently been upheld when an appeal against the Commonwealth valuation has been referred to a Court or Board of Review.

(2) Life Interests.

It is frequently necessary to value the interest of a deceased person in the estate of another deceased person, as, for example, a life interest, a remainder or an annuity. Such valuations involve actuarial calculations based on life expectancy and other factors. Different tables are used by the Commonwealth and the various States, and the rates of interest adopted for the purpose of calculation differ, as follows:—

	Per cent. per annum.
New South Wales, Victoria, South Australia	4
Commonwealth	4 1/2
Queensland, Tasmania	5

Western Australia adopts a rate based on the anticipated value of money during the period of the annuity.

In New South Wales the Commissioner is empowered to take into consideration any contingency or event which has occurred at any time before the State assessment is made. This special provision may lead to a wide divergence between Commonwealth and State valuations as, for example, where the deceased estate is entitled to a residuary estate which is subject to an annuity and the annuitant in question dies before the issue of the State assessment.

The Royal Commission on Taxation 1932-34 recommended that the Commonwealth and all States should employ the same set of Tables and prescribe by regulation a common rate of interest. It has not been possible, however, to secure agreement in this particular.

(3) Realty.

42. In relation to realty, there is a land valuation section of the Commonwealth Taxation Office whose valuations of lands are used by the Commonwealth for assessing estate duty. In South Australia and Western Australia, the Commonwealth valuations are used by the State assessing authorities. In New South Wales, the State assessing authority is required by State law to adopt valuations by the State Valuer-General, although

the State adopts Commonwealth valuations in certain areas. In Victoria, the valuations of the State Land Tax Branch are used. In Queensland, State valuations are used, but the advice of the Commonwealth valuers is frequently sought, particularly where an estate is of a large dutiable value. In Tasmania, the State assessing authority arranges for its own valuations, but usually depends on Commonwealth valuations of city properties, hotels and large pastoral properties. The Commonwealth valuations are not less than those of the States where the Commonwealth valuations are not used.

43. As the State laws on valuations are not uniform there can be no simple comparison as between Commonwealth legal requirements and States' legal requirements.

44. For realty, the difficulties have already been outlined. There would have to be State valuations in all States and those valuations would have to be accepted by the Commonwealth, or else the States would have to accept Commonwealth valuations which are at present available in all States.

45. The problem was examined by the Royal Commission on Taxation 1932-34, an extract from which report is as follows:—

1292. The next question to be considered is whether provision can and should be made to overcome the duplication of administration arising from the existence of separate State and Commonwealth organizations for the assessment of Death Duties. It was pointed out in regard to Income Tax that agreement had been reached between the Commonwealth and each of the States for the collection of the taxes of the Commonwealth and the respective States by one Department. There is no similar arrangement between the Commonwealth and any State in regard to the collection of Death Duties, and it follows that there are separate Commonwealth and State offices in each State administering the respective Acts. In addition, the Commonwealth Central Office in Melbourne deals with those estates which have assets in more than one State.

1293. In reality, however, duplication between the Commonwealth and States in regard to the assessment and collection of Death Duties is not so apparent as real. The greater portion of the work incidental to the assessment of Death Duties is performed by the States, and it is necessary for the Commonwealth to await the issue of a State assessment in order that the amount of State Duty payable may be determined and allowed as a deduction in the Commonwealth assessment. Before this stage is reached many of the questions which arise have been decided by the State, and variations in the items and the valuation returned by the administrator are thus disclosed to the Commonwealth Department before the assessment for Commonwealth Estate Duty is issued.

1294. The principal reason for amalgamation is to effect a saving in cost both to the Governments and to the estates of deceased persons. It is, however, probable that there would be no material reduction in the present cost of Commonwealth

GRANTS TO QUASI-GOVERNMENTAL AND PUBLIC ORGANIZATIONS.

47. The following are typical of the organizations to which grants are made:—

- (a) quasi-governmental agencies such as the Standards Association of Australia,
- (b) public bodies such as the Surf Life Saving Association,
- (c) religious or cultural bodies such as the church missions in the Northern Territory.

48. In reviewing the Finance Statement of the Treasury, the Committee decided to examine grants to public organizations to ascertain the manner in which they are dealt with when compiling the estimates, and subsequently accounted for.

49. Grants to these organizations stand outside the ordinary methods of appropriation. Ordinarily the Parliament appropriates funds up to a given amount to be expended for specific purposes. Such appropriations are audited by the Auditor-General and the results duly reported to the Parliament. In the grants under

and State administration. The expense at present incurred by Commonwealth does not exceed £7,000 per annum, and in the event of amalgamation the whole of this amount could not be saved. The amalgamated office would require a staff almost as large as is now engaged in the two separate offices and the net saving to the respective Governments would be negligible.

1295. There is, however, more reason to believe that amalgamation would reduce the costs incurred by estates. Matters relating to Death Duties are almost invariably handled by Solicitors and the necessity for reference to separate offices, involving the preparation of distinct forms, separate requisitions, and interviews and correspondence with two Departments increases costs. There is no doubt that much of this work would be eliminated if the offices were amalgamated. But while the present diversity in law and practice on between the Commonwealth and the States continues, it is doubtful whether any considerable saving could be effected if the Acts were made mutually uniform an amalgamation of offices would be of real benefit to estates.

1296. In Section XXII. of the Report dealing with Income Tax, we discussed the assessment and collection of tax by the States, by the Commonwealth, or alternatively, by a joint authority. The remarks therein set out apply equally to the assessment and collection of Death Duties. If our recommendation that a joint authority be constituted by agreement between the various Governments for the purpose of assessing and collecting all direct taxation be carried into force, the joint authority would administer both Commonwealth and State Death Duties.

1297. The next matter to be considered is whether the Commonwealth Central Office should be retained for the collection of Duties on the estates of deceased persons which extend over more than one State. It has been suggested that this office should be abolished and that the accounts should be filed and the assessment made at the Taxation Office in the State in which the deceased person was domiciled, or, if he were domiciled out of Australia, at the Taxation Office of the State in which most of his assets are to be found. Many of the considerations which relate to the maintenance of Central Office for the collection of Income Tax due by individuals and companies whose operations extend over more than one State apply with equal force to the maintenance of a Central Office for the collection of Estate Duty payable by estates whose assets extend over more than one State. If the principal consideration we have arrived at is some criterion in regard to death duties as in regard to Income Tax, namely, that the Central Office should be continued for the collection of Commonwealth Estate Duty on estates, this office has information relating to Income Tax which is not available as a whole to any single State, and deceased persons whose assets extend over more than one State would normally have to send their Commonwealth Income Tax returns to that office.

48. The Commissioner of Taxation has informed the Committee that there were considerable differences between Commonwealth and State valuations and the adoption of State valuations in all cases could mean the loss in estate duty to the Commonwealth of £50,000-£100,000 per annum. Any saving in administrative costs to the Commonwealth would be a fraction of this amount.

discussing, the name of the organization appears in the Appropriation Act; the purpose of the grant is seldom stated; and the Auditor-General confines his attention to the proper payment of the amounts voted.

50. The Committee has read the reports of the House of Commons Public Accounts Committee, which it has made over a period and which contain the comments of the Committee on the principles involved in making such grants. It has also referred to the more recent examination by the House of Commons Select Committee on Estimates in its Second Report for 1953-54 H.C. 143 dated 8th April, 1954. In general, the attitude of those Committees appears to be—

- (a) The use of this kind of grant should be subject to careful scrutiny by the Treasury,
- (b) The estimates should show that any unexpended balance of the grant is not to be surrendered and that it is not to be accounted for to the Auditor-General,

- (c) The grant should, in general, not be used to build up accumulations or reserves of public funds in the case of the institutions either as cash balances, investments, or reserves.
- (d) Where the bulk of the funds of an institution are obtained from a grant, Treasury control must be adequate and the institution's accounts should be audited by the Auditor-General.

51. The general principle that the Parliament should know in some detail the amount of a grant, and the purposes upon which it is being spent, is ignored if the grant is made in a lump sum and the organization is not asked to disclose the details of the way it spends the money.

52. Nevertheless, if a government asks the Parliament to make a grant of such a nature to an organization of the character mentioned, it must be assumed that the Government and the Parliament intended to remove the scrutiny of the detailed expenditure of the grant by the organization from both the Auditor-General and the Parliament.

53. Furthermore, if the Government decided to ask the Parliament to make a grant to a "voluntary organization" rather than have the work done by a government department, it must also be assumed that the Government and the Parliament were determined to maintain the "independence" of the voluntary agency, an independence that would be destroyed if the activities of the voluntary agency were submitted to a detailed scrutiny similar to that to which government departments are subjected.^(a)

54. The Committee investigated a number of grants sponsored by different government departments, and took evidence from representatives of such departments on the 14th September, 1954. A glance at the expenditure on Miscellaneous Services in the Estimates for 1954-55 will reveal the cost to the Government for the wide range of activities handled in the Commonwealth by voluntary agencies.

55. All witnesses urged the desirability of maintaining the existing system on the ground that the activities in question can be handled more successfully than if undertaken by a government department. The voluntary body can enlist the enthusiasms of voluntary workers in industry, science, art, economics, and social service in a way that an official organization finds impossible, and at a cost below what the official agency would have to pay. This position was emphasized when the voluntary body was responsible for raising a considerable proportion of the funds necessary for its work.

^(a) The characteristics of "voluntary" services have been well stated in the *Journal of Public Administration*, Vol. V, 1927, page 391. See also "Social Services in Australia", editor W. G. F. Duncan, 1950, at page 160.

THE COMMITTEE AND PUBLIC SECURITY.

60. The Committee sought the Prime Minister's opinion on the attitude Ministers and departmental witnesses should take before the Committee when

56. Where expert advice is desirable in 'vetting' applications for financial assistance, it is obtained from relevant departments and expert organizations, such as the Commonwealth Scientific and Industrial Research Organization.

57. In the course of its review, the Committee noted the following features associated with grants made by the Commonwealth:—

(a) In the case of grants, such as that to the International Metric Bureau, made on the recommendation of the Minister in charge of the Commonwealth Scientific and Industrial Research Organization, they might well be taken into the Estimates of the Commonwealth Scientific and Industrial Research Organization, or, in the case of other grants, into the estimates of the department directly interested in these grants, but in such a way as not to disturb the attitude of the voluntary workers in the several organizations, or the recognized standing of the organizations.

(b) In the case of the missions in the Northern Territory, the Commonwealth subsidized their budgets without exercising a specific control over them. Where deficits were incurred by the missions, the Commonwealth preferred to keep them operating rather than attempt to do the work itself. The missions have now accepted flat rate grants for their various activities.

The flat arrangements include the conditions that a surplus must be spent on the mission or would be offset against capital expenditure if a mission sought capital assistance from the Commonwealth.

(c) In the case of the Australian National Research Council, the Bread Research Institute, the Australian Leather Research Association, an examination of the accounts by the Committee suggested that the Commonwealth grants were more than enough for the year, and the organization showed relatively substantial surpluses of receipts over expenditure, or were able to build up reserves for future expenditure. It would seem desirable that, in general, the grants should be for the needs of the year for which funds have been sought.

58. The accounts of these organizations were, so far as the Committee could ascertain, audited by private auditors or honorary auditors. It is not mandatory upon the Commonwealth Auditor-General to audit these accounts.

59. Authenticated statements of the year's activities should be supplied, and, if the grant is for a particular purpose, the organization should also certify that the purposes and conditions of the grant have been complied with.

questions involving public security were raised. The text of the Prime Minister's letter to the Committee is attached as Appendix No. 1.

THE CONCLUSIONS OF THE COMMITTEE.

61. A number of miscellaneous inquiries have been made into specific aspects of departmental administration upon which the Committee offers the following comments:—

The Cleaning of Commonwealth Offices.

(1)(a) A review should be made of all Commonwealth office cleaning costs by a private

expert or an experienced public servant nominated by the Public Service Board and the Treasury.

(b) Where the cleaning of Commonwealth offices is undertaken by a civilian staff, the responsibility should be entrusted to the Department of the Interior, except in the case of the Postmaster-General's Department and the

Parliament House. Some degree of delegation of authority by the Department of the Interior to other departments may be desirable.

(c) Regular reports of costs should be obtained by the head office of the Department of the Interior and these reports should be used to control the cost of cleaning.

(d) If the proposal in (b) above is not adopted, regular reviews of cleaning costs should be made by the departments; the Department of the Interior should make biennial reviews of cost of cleaning of Commonwealth offices by civilian staff. The results should be reported regularly to the Public Service Board and the Treasury.

The Steam Raising Plant Operated by the Department of Works at Repatriation Institutions.

(2)(a) The management of the steam plant at certain Repatriation hospitals should be transferred from the Department of Works to the Repatriation Department.

(b) The head office of the Repatriation Department should obtain regular returns of output and costs of steam plant, to ensure the efficient operation of the plants.

The Use of State Estate Duty Assessments for Commonwealth Estate Duty Purposes.

(3) Common provisions under Commonwealth and State statutes prescribing methods of

valuing the assets of estates of deceased persons are pre-requisites to uniform valuations for the purposes of assessing Commonwealth and State estate and succession duties. There is little uniformity in Commonwealth and State legislation in regard to valuations at the present time.

(4) Grants to Quasi-governmental and Public Organizations.—

(a) Grants should, wherever possible, be made for a fixed period and for specific purposes.

(b) Authenticated statements of the year's activities should be supplied and if the grant is for a particular purpose, the organization should also certify that the purposes and conditions of the grant have been complied with.

(c) The Treasury might consider whether grants should be shown on the estimates of the department responsible for them.

On behalf of the Committee,

J. B. Bland
Secretary,

Parliament House,
Canberra, A.C.T.
20th October, 1954.

A. BLAND, Chairman.

APPENDIX No. 1.

COMMONWEALTH OF AUSTRALIA.

PRIME MINISTER,
CANBERRA.

10th November, 1953.

Dear Professor Bland,

I must apologise for this long delay in replying to your letter of 28th January on the subject of "Security" in relation to the activities of the Public Accounts Committee. As you know, I arranged to have some inquiries made about the practice in the United Kingdom, and the information I requested did not come to hand until I had left myself for overseas.

The position in England is rather different from that obtaining here. The Public Accounts Committee is a Select Committee of the House of Commons. As such, the Committee reflects more directly the powers and authority of the House itself. Under Standing Orders, the Committee has power to call for persons and papers, but a return can only be obtained from one of the prerogative departments (among which all the Defence Departments are numbered) by means of a humble address to the Crown adopted by the whole House (*May*, 14th Ed., pp. 593 and 253.).

Here we are not concerned directly with the obligation of the Executive to provide information requested by Parliament. The Committee has a specific statutory origin and statutory authority to call for persons and papers. The question we have to consider is the effect of qualifications to this authority found in the statute itself.

The relevant sections of the Act are 13, with 14 and 15 (giving the Committee the power to summon witnesses), 17 (witnesses, without just cause, are not to refuse to be sworn, answer questions or produce documents) and 19 (L) (giving witnesses the same protection and privileges as a witness before the High Court). Finally, section 18 (prosecution of offences) provides that a person who contravenes or fails to comply with the Act may be prosecuted summarily or upon indictment.

There are then, these qualifications in the Act itself to the absolute rule that the Committee may bring before it persons and papers, and compel witnesses to answer its questions:—

- (1) A person may refuse to be sworn, answer questions or produce documents if he has "just cause" (section 17). What would in particular circumstances constitute "just cause" is a matter which would have to be determined by the Court before which a recalcitrant witness might be called.
- (2) Section 19 (1) gives a witness before the Committee the same privileges and protection as those of a witness before the High Court. These matters include—
 - (a) protection against proceedings for defamation in respect of anything that may be said by a witness in the course of an inquiry with reference to the matter in hand;
 - (b) privilege of refusing to answer questions which may tend to incriminate the witness;
 - (c) privilege to refuse to divulge State secrets, State papers, confidential official documents and official communications between public officers on public affairs.

Our main concern obviously is with group (c). The first thing to note about this is that it is not the privilege of the witness but of the Crown. If a witness attempts to give evidence on any matter in which it appears that State secrets may be concerned, he should endeavour to obtain instructions from his Minister beforehand as to the questions, if any, which he should not answer. If a question arises unexpectedly in the course of an inquiry, the witness should request a postponement of the taking of his evidence to enable him to obtain the instructions of his Minister through his Permanent Head, and doubtless this postponement would be granted. In either event, if the Minister decides to claim privilege, he should furnish the witness with a certificate to that effect. It is possible that in some instances contractors to the Commonwealth might be asked questions on confidential matters. A similar course could be followed in these cases also, except that the witness should look for his instructions to the Permanent Head of the Department responsible for the particular contract.

Where a witness, particularly a witness who is not an officer of the Commonwealth or is a comparatively junior officer, does not raise any question of privilege although the matter obviously concerns State secrets, it is, in my opinion, the duty of the Chairman of the Committee himself to stop the evidence being given until the Minister has been given an opportunity to consider whether privilege should be claimed or whether a request should be made that the evidence be heard in private. Moreover, if a witness were to apply to the Committee a certificate from the appropriate Minister to the effect that he regarded it as being injurious to the public interest to divulge information concerning particular matters, the Committee should accept the certificate and not continue further to question a witness on these matters.

The wording of section 19(1) is unqualified, but it seems to me that the nature of the inquiries to be made by the Committee may require that privilege should not be claimed in regard to confidential official documents or communications between officers in all of those cases in which this privilege might be claimed in the High Court. It may be difficult to say, in the abstract, what documents or communications should not be privileged from disclosure to the Committee, but I assume that, in practice, no difficulty is likely to arise and that the matter would be settled by discussion between the Committee and the witness after the witness had obtained the instructions of his Minister.

In connexion with this matter of the production of State documents, the Acting Solicitor-General directed my attention to the judgment of Simon J. in *Duncan v. Gammell, Laird & Co.* (1942) A.C. 624 which sets out in some detail the principles which should guide Ministers in considering whether to claim privilege. In particular, the following extract from pages 642 and 643 is in point for present purposes:—

"In this connexion, I do not think it is out of place to indicate the sort of grounds which would not afford to the Minister adequate justification for objecting to production. It is not a sufficient ground that the documents are 'State documents' or 'official' or are marked 'confidential'. It would not be a good ground that, if they were produced, the consequences might involve the department or the government in parliamentary discussion or in public criticism, or might necessitate the attendance as witnesses or otherwise of officials who have pressing duties elsewhere. Neither would it be a good ground that production might tend to expose a want of efficiency in the administration or tend to lay the department open to claims for compensation. In a word, it is not thought that the Minister of the department does not want to have the documents produced. The Minister, in deciding whether it is his duty to object, should bear these considerations in mind, for he ought not to take the responsibility of withholding production except in cases where the public interest would otherwise be damaged, for example, where disclosure would be injurious to national defence, or to good diplomatic relations, or where the practice of keeping a class of documents secret is necessary for the proper functioning of the public service. When these conditions are satisfied and the Minister feels it is his duty to deny access to material which would otherwise be available, there is no question but that the public interest must be preferred to any private consideration. The present opinion is concerned only with the production of documents, but it seems to me that the same principle must also apply to the exclusion of oral evidence which, if given, would jeopardize the interests of the community."

Where a public servant is called on to answer a question, or produce a document dealing with classified matter, it is obvious, I think, that Ministerial responsibility must be recognized and the public servant must be given the opportunity to consult his Minister on the matter, or the Minister should himself answer to the Committee. There is much in the practice that has been adopted in the United Kingdom which can provide a valuable guide for us.

These points of the British practice have been stressed:—

- (a) The Committee itself is careful not to endanger the public security and treats its right to inquire into accounts of a secret nature in a very responsible manner.
- (b) Officials who give evidence can indicate what part of it should not be published in the printed Minutes of the Committee.
- (c) Some evidence is taken *in camera* and is not recorded at all.
- (d) Officials may refuse to answer questions on certain accounts. Such matters form the subject of negotiation between the Chairman of the Accounts Committee and the Prime Minister, Defence Minister or Minister concerned.

Bearing in mind the practice in the United Kingdom and the provisions of our own Public Accounts Committee Act, I think a procedure along these lines might well prove to be a useful beginning—

- (i) A witness may, at his discretion, and as provided in the Act, request that the evidence be taken *in camera*. He should also be permitted to request that it should not be recorded;
- (ii) Should an official witness be asked a question on a classified matter which it would be in his opinion be contrary to the public interest to answer he should be entitled to consult his Minister on the matter, or refuse to answer at his discretion;
- (iii) Should the Committee regard the question or the line of inquiry being pursued as important for its purposes, the Chairman should arrange to discuss the matter with an appropriate Minister. The object of the discussion would be to arrange a method of making available to the Committee such information as is requisite for its purposes without endangering the security of classified information;

(b) There may be circumstances in which a Minister will be obliged to refuse information or instruct his officers to refuse information. A Minister should not refuse except after having considered the issues carefully in the light of the principles referred to above;

(c) Steps should be taken to have a security check made of the *House* reporters doing duty on the Committee or any other persons who may be associated with the Committee's work in such a way that they are present at its meetings or would have access to its papers.

Yours Sincerely,

(Sgd.) ROBERT G. MENZIES, Prime Minister.

Professor F. A. Bland, M.P.,
Chairman,
Public Accounts Committee.