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1958.

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA.

JOINT COMMITTEE OF PUBLIC ACCOUNTS.

THIRTY-SEVENTH REPORT.

THE NORTHERN TERRITORY
ADMINISTRATION.

PART II.

By Authority

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JOINT COMMITTEE OF PUBLIC ACCOUNTS

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The Senate appointed its Members of the Committee on 16th February, 1956 and the House of Representatives its Members on 22nd February, 1956.

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 state-ment 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 1901-1957;
 - (b) to report to both Houses of the Parliament, with such comment as it thinks fit, any items or matters in those accounts, state-ments 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

THIRTY-SIXTH AND THIRTY-SEVENTH REPORTS
THE NORTHERN TERRITORY ADMINISTRATION - PARTS I AND II.

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NORTHERN TERRITORY ADMINISTRATION

PART II

A. FINANCE AND ORGANISATION

CHAPTER I - FINANCE

(a) Revenue of the Territory.

137. Revenue of the Northern Territory falls into two general categories, firstly, those imposts such as income tax, customs duty and sales tax, which are levied on a Commonwealth-wide basis, and, secondly, local revenue arising from the administration of government in the Territory. Your Committee are interested mainly in the second category and its relation to the activities of the three departments responsible for local administration - the Northern Territory Administration, the Department of Health and the Attorney-General's Department.

138. Estimates of local revenue for the Northern Territory are shown in the annual Estimates of Receipts and Expenditure presented to the Commonwealth Parliament. Receipts for the year 1957-58 are estimated to be £968,000 as against actual receipts of £907,215 in 1957.

<u>Northern Territory</u>	<u>Estimate</u> <u>1957-1958</u> £	<u>Actual</u> <u>1956-1957</u> £	Estimates of Receipts, and Ex- penditure for 1957-58, page 145.
Rent and rates	241,000	210,356	
Electricity	375,000	375,207	
Motor registration	43,000	42,994	
Attorney-General	10,000	11,898	
Miscellaneous	299,000	266,760	
Total Northern Territory	<u>968,000</u>	<u>907,215</u>	

A more detailed dissection of receipts for the three financial years 1954-55, 1955-56, 1956-57 is shown in Appendix No. 5. Forming a substantial proportion of the total of £907,215 for 1956-57 are the gross receipts from certain business undertakings operated by or on behalf of the Administration, which include electricity undertakings (£375,207), water supply undertakings (£29,118) and the Darwin Cold Stores (£32,445). The receipts of two other major undertakings, however, the Darwin bus service and the staff hostels operated by the Administration, are not reflected in those figures: until 30th June, 1957, their operations were financed through the Northern Territory Services Trust Account and, since then, through two newly established Trust Accounts, the Northern Territory Hostels Trust Account and the Northern Territory Bus Services Trust Account. Your Committee discuss all these business undertakings in Chapter IX.

139. Of the remaining receipts, rent and rates (£156,890) collected in respect of Commonwealth owned domestic residences, buildings, lands and mines are the major item. Health rates

(£24,348) relate to the collection of garbage and night soil; the garbage collection for Darwin is one of the functions which has now been taken over by the Municipal Council. Attorney-General's revenue (£11,898) refers only to collections made under Northern Territory ordinances; other receipts by that Department in the Territory, which are of a nature collected generally throughout Australia, are excluded.

140. Registration and licence fees (£32,194) shown under the heading of "Miscellaneous" in Appendix No. 5 are collected in respect of liquor licences, bookmakers licences, dog registrations, entertainment licences and other licences and registrations of a miscellaneous nature. The charges for liquor licences in the Northern Territory differ from those in the Australian Capital Territory in some respects, as is shown by the following table :-

	<u>Northern Territory</u>	<u>Australian Capital Territory</u>
Residential Hotels	5% on gross purchases.	5% on gross purchases with a minimum of £30 per annum.
Restaurants	£20 per annum.	5% on gross purchases with a minimum of £30 per annum.
Licences Stores	5% on gross purchases.	5% on gross purchases with a minimum of £30 per annum.
Clubs	£20 per annum.	4% on gross purchases with a minimum of £10 per annum.

141. Your Committee found that Probate Duty, in addition to Commonwealth Estate Duty, is payable in the Northern Territory in accordance with the provisions of the Administration and Probate Act 1891 and the Succession Duties Act 1893 of the State of South Australia. These two Acts are still in force in the Territory by virtue of the Administration of Probate Ordinance, and the rates of duty as established by the original South Australian Acts continue to apply. Stamp Duty is levied in accordance with the Stamp Ordinance 1917-1955 of the Northern Territory. The schedule of rates has not been varied since 1917. Neither Stamp Duty nor Probate Duty is payable in the Australian Capital Territory.

Exhibit No. 35/31.
Q.1960

142. Your Committee were told that rates of charge by business undertakings are reviewed annually by the Administration and that statutory provision exists for the periodical examination of leasing charges. However, we were told that there is no standing procedure within the framework of the administration of government of the Territory for reviewing the many other levies and charges including Stamp and Probate Duty; the responsibility for recommending changes lies with the Branch or Department administering a particular Ordinance. We also asked the Treasury representative, Mr. Jobson, who makes a review of charges throughout the Commonwealth and he replied :-

Q.1924
Q.1939

" The Treasury does not go into relatively minor matters such as stamp duty and charges in relation to business undertakings. Those things are vested in the Minister. Their actual administration is a departmental matter. I think the initiative rests more with the department concerned than with the Treasury. The Treasury concerns itself more with taxation."

Q.1966

We suggest that the various administrative authorities in the Northern Territory might review from time to time levies and charges imposed by Ordinance and Regulation. Your Committee also draws attention to the different policies of the Commonwealth covering the levying of stamp and probate duty in the Northern Territory and the Australian Capital Territory.

143. Of some interest is the extent to which the expenditure by the Commonwealth on local administration is matched by the revenue collected in the Territory. This question was examined in some detail by the Legislative Council Select Committee on Constitutional Reform, which, however, was hampered to some extent by not having available complete figures of taxation revenue, and other Federal imposts. The Select Committee conclude :-

"Your Committee therefore considers, having regard to the inevitable increase in the amount of revenue year by year even though they are calculated at the same rates, that for some time to come the people of the Northern Territory will pay into Commonwealth revenue by way of local imposts and income tax an amount in the vicinity of £2,500,000".

That committee proposed that the Legislative Council of the Northern Territory should be granted control over the expenditure of that revenue.

See Appendix No. 3.

(b) Expenditure.

144. Like revenue, expenditure by the Commonwealth in the Territory also falls into two categories, firstly, expenditure by other departments on functions which are carried on throughout the Commonwealth, and secondly, expenditure on local administration. Your Committee in the present instance are concerned only with expenditure in the second category, which includes spending by the Northern Territory Administration, the Department of Health, the Attorney-General's Department, the office of the Auditor-General and the Department of Works as a servicing department. The following table shows the expenditure under annual appropriations and on capital works and services in 1956-57 and the estimates for 1957-58 -

<u>Division</u> <u>No.</u>		<u>1956-57</u>		<u>1957-58</u>
		<u>Vote</u>	<u>Expend- iture</u>	<u>Estimate</u>
		£	£	£
273	General Services	2,308,800	2,165,103	2,890,000
274	Works Services	869,700	827,963	882,000
275	Audit of Accounts	5,000	5,000	7,000
276	Courts Office	30,000	36,228	39,000
277	Health Services	697,500	695,204	807,000
		<u>3,921,000</u>	<u>3,729,498</u>	<u>4,625,000</u>

(Table cont'd on next page)

<u>C.W.S.</u> <u>Div-</u> <u>ision</u> <u>No.</u>		<u>1956-57</u>		<u>1957-58</u>
		<u>Vote</u>	<u>Expend-</u> <u>iture</u>	<u>Estimate</u>
59-61	Department of Territories	3,151,900	2,464,946	2,849,000
62	Department of Works	225,900	222,422	309,000
63	Department of Health	154,000	111,062	191,000
	Department of the Interior	-	-	12,000
		<u>3,531,800</u>	<u>2,798,430</u>	<u>3,361,000</u>
		<u>7,452,800</u>	<u>6,527,928</u>	<u>7,986,000</u>

145. Your Committee have given much thought to the principles involved and the procedures followed in the preparation of the estimates for the Northern Territory Administration. Unlike the Territory of Papua and New Guinea, where the estimates are presented to, debated in and adopted by the Legislative Council of that Territory, the receipts and expenditure of the Northern Territory form part of the Commonwealth Budget: the Northern Territory Legislative Council does not examine the estimates either before or after presentation to the Commonwealth Parliament. The processes followed in preparing and approving Estimates of Expenditure for the Northern Territory Administration are similar to those followed in the ordinary departments.

146. In a letter to the Committee in January, 1958, the Administrator gave the following explanation of the arrangements for the preparation of the Estimates :-

"Estimates of Expenditure to be incurred by Northern Territory Administration under the various Divisions of Parliamentary Appropriations are prepared each year by the Administration. In the preparation of these Estimates the only reference made to the Department of Territories is where it is necessary to obtain the Minister's approval in principle for the policy affecting proposed new items of expenditure. In such instances the necessary submissions are made to the Minister, through the Department of Territories. Subject to the foregoing exception, the Annual Estimates are prepared, having regard to the requirements of this Administration for the forthcoming year. Where in certain circumstances, the required policy approval has been obtained at the time the Estimates are due, such items are usually included provisionally, pending the receipt of policy decisions.

Exhibit
No. 35/65,
paragraph:
9 - 13.

10. These draft estimates are forwarded to the Department of Territories for submission to the Minister for Territories, whose final approval of them constitutes the authority for their presentation to Treasury for inclusion in the Federal Estimates.

11. At the stage where the Estimates are received in Department of Territories, consultation as between the Administration and the Department does take place, either in correspondence, or as necessary, in conference regarding their contents. This relates usually to the provision of any additional information needed to fill out the explanations furnished with the Estimates themselves. Any corrections (arithmetical or otherwise) are made as necessary in consultation with the Administration. Where there is disagreement in view on any point, the matter would be one for decision by the Minister when giving a final approval to the Estimates.

12. When finally approved by the Minister the Estimates are presented to Treasury; and following the usual practice, they are eventually made the subject of discussions as between Treasury and the Department of Territories.

13. Where in the final settlement of the Estimates, the overall allocations under the various Divisions of expenditure are reduced by the government, the views of the Administration are consulted regarding the re-allocation of the reduced amounts as between items, or as regards the re-arrangement of capital and other expenditure programmes, to fit them within the reduced allocation".

Similar procedures apply to the Revised Estimates, Additional Estimates, Expenditure from the Treasurer's Advance and Section 37 Transfers. The Estimates for 1957-58 were forwarded to the Department of Territories on 10th April, 1957, and approved by the Minister for Territories on 16th May. Discussions between the Department and the Treasury were completed by 27th July, 1957. The Administrator told us that an exchange of views, both written and oral, took place between the Administrator and the Department and conferences were held with the Department of Territories officials, who visited Darwin for the purpose. No officer of the Administration visited Canberra for discussions with the Department and the Administration was not represented in the departmental discussions with the Treasury: indeed it has not been customary for Administration officers to attend them. The Administrator said that it would be within his discretion to seek representation at those discussions if he considered that to be desirable.

Exhibit
No.35/65
Page 3.

147. As mentioned previously, the processes operating in respect of the Territory of Papua and New Guinea are fundamentally different and these were explained to us by Mr. Lambert as follows :-

" In Papua and New Guinea, under the Papua and New Guinea Administration Act, the Commonwealth Parliament made provision for the Papua-New Guinea administration to have its own budget. All the revenues collected by the Papua-New Guinea administration are paid into the revenue funds under its control. All the expenditure is made from the finances controlled by the public administration in Papua and New Guinea. They get from the Commonwealth Government each year a global grant which is paid into the revenue. It is within the competence of the Administrator to allocate his global sums to the various function of administration as he considers best suits the execution of the business of administration. That, of course, is subject to the

Q. 356

clearance of his budget with the Minister for Territories. He operates the Treasurer's Advance, and if he is to incur additional expenditure on any particular item in his budget during the course of the year, and pending the introduction to the Legislative Council of the Territory of Supplementary Estimates, he can operate on the Treasurer's Advance just as, within the Commonwealth Services, the Commonwealth Treasurer can operate on the Treasurer's Advance. When he submits his Estimates to Canberra, he does submit details because we have to negotiate with the Commonwealth Government through the Treasury for the amount of grant which the Commonwealth Government is prepared to make available."

148. The main advantages claimed by the Department of Territories for the processes followed in New Guinea are that there is greater flexibility in the use of funds (while the Administrator is able to make better use of the funds by a more balanced programme). These arrangements extend to the New-Guinea administration an unusual and substantial degree of local autonomy in matters of finance. On the other hand, because the Legislative Council of the Territory of Papua and New Guinea has a majority of official members, the Minister for Territories is able to control both the financial and general policy of that Territory. In the case of the Northern Territory, however, that control is vested in the Commonwealth Parliament itself.

Q. 360

149. Your Committee discussed this question of flexibility with representatives of the Department of Treasury, Department of Territories and the Administration. The various appropriations for general expenditure of the Administration appear in the Estimates under Division 273, which is divided into four sub divisions, A, B, C, and D, with three items under A, seven under B, six under C and thirty-three under D. Transfers in terms of Section 37 of the Audit Act are permitted between items within sub divisions A and B, but not between items under sub Divisions C and D, relating to Aboriginal Welfare and Other Services, respectively. At our Darwin sittings, Mr. Jobson, of the Treasury, told us that in recent years the government had placed a global limit on expenditure under Division 273, but, that, within the global limit, the Treasury allowed adjustments between items which achieved the full effect of Section 37 Transfers.

P.148

"COMMITTEE MEMBER: At this stage, Mr. Jobson, would you like to make a comment from the Treasury point of view in relation to the problems associated with flexibility in these Estimates?----- (MR. JOBSON) Yes. It might be best if I trace the Treasury practice in handling Division 273, particularly in regard to sub-divisions C and D. The usual Treasury procedure would be to examine each item of the Estimates in detail, and once the Cabinet had approved, and the Estimates had been approved by the Parliament, any question of additional funds would be treated on its actual merit under that particular item. That is the normal practice. During the last two years the Cabinet, in considering the Budget, has placed a total on the whole of Division 273, which is not to be exceeded. Section 37 Transfers, as a matter of Treasury policy, do not apply to sub-divisions C and D. Consequently, on every occasion on which the Department wants to exceed an amount in those two sub-divisions, it has to justify to Treasury each particular item. The Treasury

Q1803

has had in mind in dealing with those applications the particular problems of the Territory. In the first place, these Cabinet decisions are usually made very late, and in fact, there is probably not sufficient time to get a true new estimate for each item if the Cabinet has ordered a decrease. To do so would probably mean reference back to Darwin. For that reason, the Treasury has allowed these adjustments as between items to be flexible. In addition to that, having regard to the staffing difficulties of the Northern Territory Administration in particular fields, such as agriculture and mining, the Treasury would take into consideration that the Administration might not be able to carry out its programme of primary production. On the other hand, although the Administration thought that it might not be able to get mining officers, it was in fact able to do so. Thus, the full effect of Section 37 Transfers is received by offsetting equivalent savings. But that procedure applies only under this particular type of Cabinet decision."

150. A decision of this kind relating to the Estimates is somewhat unusual and, it seems, brings with it problems which are magnified by the distance of the Administration from the seat of government and by the existing administrative arrangements. It does not provide the convenience to the Administration that a one line estimate or global grant would produce, and it denies to the Administration the power generally available to other Administrations to obtain, with the Treasurer's approval, limited additional funds from the Advance to the Treasurer to finance unforeseen or urgent projects. The Administrator and the Treasury representative discussed before us the effect of the global limit on proposals for new staff. Under the existing Estimates procedure provision cannot be made in the Estimates presented to the Parliament for any new position which has not been approved by the Public Service Board.

"(MR. ARCHER) ... the position (is) that in the subsequent Q.1807.
year each position as created must be funded by the Treasury and, I presume, subject to correction by you, Mr. Jobson, those funds would have to be found within the global amount already allocated. ----(MR. JOYSON) That would have to be found within the annual global amount so long as Cabinet has given that direction (MR. ARCHER) I think the significant thing is that: if you look at the 1956-57 Estimates and Appropriations you will note that for any new positions that are created during the financial year there is no financial provision, nor can provision be made except by reductions or savings effected under heads within that division. ---- (MR. JOYSON) That is correct. ---- (MR. ARCHER) So that, if our estimates were 100 per cent. correct in our calculation and we did require in the normal course of demand every penny that is provided under those other heads we would have consciously to contract on certain expenses if we wanted to employ more staff in new positions. ---- (MR. JOYSON) The matter would be one for variation by Cabinet. ---- (MR. ARCHER) I am not questioning that; I am merely pointing out the effect as the decision stands and as the provisions are made, and in the light of the financial arrangements for the Territory.

.

COMMITTEE MEMBER: All these things indicate the difficulties the Treasury puts in the way of spending money; in your own case, concerned with the difficulty in getting staff from the Treasury? --- (MR. JOBSON) It is difficult to implement a certain kind of Cabinet decision which is a little different from the ordinary run of Cabinet decisions as applied to the Estimates. (MR. ARCHER) I want the Committee to know that we are addressing our comments to a system of Legislative and Government policy decisions which is in existence and which it is everybody's responsibility to implement. I want to make it clear, also, that in our approach, we do not suggest that every officer and every department concerned are not very consciously trying to make the system work. By and large, there is a concerted effort to try to make the system work in its application to this Territory¹.

151. There are other aspects of this matter which Your Committee do not regard as satisfactory. There is the acknowledgment that the itemised estimates for Division 273 as presented to Parliament may not, by force of circumstances, be accurate; there is the suggested ease with which increases under items are permitted by the Treasury providing offsetting reductions are made elsewhere and not necessarily within the same sub division; and there is the inducement, which is inherent in the system, to inflate particular items within the original Estimates to provide surpluses to meet unforeseen expenditure which might arise during the year.

152. The Administrator told us that the embargo on Section 37 Transfers between items under sub divisions C and D led to a degree of inflexibility which produced difficulties; he instanced some of the problems associated with the accurate estimating of the cost of the activities of the Administration in the Territory and he suggested that our examination might reveal a greater need for flexibility in the estimates for the Northern Territory Administration than in those of other departments. Your Committee note that, although the current arrangements allow "offset transfers" between sub-divisions, the procedure is more onerous than that associated with transfers under Section 37 of the Audit Act, as refer² we must be made to the Department and the Treasury in each case. Under the Section 37 procedure Departments have been permitted, from about March in each financial year, to anticipate Section 37 Transfers between items within a sub division providing such transfers do not exceed 10% of the item or £10,000. There has been no restriction on transfers of less than £100.³

153. Both the Secretary of the Department and the Administrator complained about the delays and difficulties resulting from the current arrangements but, while acknowledging the many and diverse activities of the Administration, we do not consider they justify substantial reduction in the details given in the Estimates, or a one line estimate, both of which would derogate from the power of the Parliament. While the finances of the Territory remain wholly within the framework of the Commonwealth Budget, we consider that the existing difficulties should be met by stream-lining procedures without altering the traditional pattern of financial control by the Parliament and the Treasury. It is a matter to which the Department of Territories and the Treasury might give some attention.

154. Some of the existing rigidities should be overcome if more authority is given to the Administration in these matters, and the Treasury might consider whether a senior

¹ In a memorandum dated 5th May, 1958, the Treasury has informed Your Committee that it is anticipated that an Order for transfers pursuant to section 37 of the Audit Act 1901-1957 will not be sought for the financial year 1957-58.

Treasury officer stationed in the Territory could be clothed with limited powers to deal with specific matters relating to the Estimates and provision of funds. The removal of the global limit placed by the government on expenditure under the Division 273 and its attendant restrictions so as to place the Administration on the same basis as other administrative Departments should also ease the situation.

155. Your Committee consider that the manner in which the estimates for the Northern Territory Administration are set out is confusing and we suggest that, pending a general review of the form of the Estimates, some alteration in presentation could be made. As a first step the Schedule of salaries and allowances might be framed on a Branch basis, as adopted for the Department of Treasury. The present Division 273 could also be broken up into more than one Division; one division might cover the Welfare Branch, another the Police and Prisons Branches and a third the remaining Branches. The Estimates in this form would convey more useful information than at present.

156. We have mentioned previously that the Legislative Council does not formally examine the Estimates for the Northern Territory Administration and other departments involved in local administration. The Legislative Council Select Committee on Constitutional Reform has already proposed that limited responsibility should be given to the Council for approving Estimates for the Northern Territory. Whether or not this recommendation is adopted is for the government to decide but it is obvious from the tone of the report of the Select Committee that, as the Territory progresses towards financial independence, the taxpayers of the Territory will seek the opportunity to discuss and determine what is to be collected and how it is to be spent in much the same degree as is the case with Papua and New Guinea. Even before that stage is reached, however, Your Committee believe that it might be wise to devise ways and means for allowing the existing Legislative Council to discuss the Territory estimates.

See
Appendix
No. 3.

(c) Capital Works and Services.

157. The Estimates of expenditure by the Department of Territories in the Northern Territory on Capital Works and Services are shown under three divisions of Part 3 of the Estimates of Expenditure for Additions, New Works and Other Services involving capital expenditure. Division No. 59 covers miscellaneous capital expenditure not involving constructional work by the Commonwealth. Division No. 60 covers acquisition of sites and buildings while Division No. 61, which is under the control of the Department of Works, provides for the construction of buildings and other works.

Estimate
of Receipts
& Expenditure:
1957-58,
p.250.

158. Appropriations and expenditure for 1956-57 and estimates of expenditure in 1957-58 for these divisions are :-

	<u>1956-57</u>		
	<u>Vote</u>	<u>Expenditure</u>	<u>1957-58</u>
	£	£	£
Division No. 59	462,900	425,811	495,000
Division No. 60	88,000	25,432	131,000
Division No. 61	2,601,000	2,013,703	2,223,000
Grand Total	<u>3,151,900</u>	<u>2,464,946</u>	<u>2,849,000</u>

The inquiries of Your Committee were mainly concerned with Division No. 61 under the control of the Department of Works: the appropriations and expenditure under that division in the last five years are as follows :-

	<u>Sub-Division No. 1</u>		<u>Sub-Division No. 2</u>		<u>Total</u>	
	Buildings, works, fittings and furniture		Developmental Works			
	<u>Approp.</u>	<u>Expend.</u>	<u>Approp.</u>	<u>Expend.</u>	<u>Approp.</u>	<u>Expend.</u>
	£	£	£	£	£	£.
1952-53	780,000	666,672	400,000	174,780	1,180,000	841,452
1953-54	1,252,000	919,246	250,000	142,402	1,502,000	1,061,648
1954-55	1,805,000	1,354,858	238,000	115,873	2,043,000	1,470,731
1955-56	2,015,000*	2,039,870	199,000	106,344	2,214,000*	2,166,214
1956-57	2,333,000	1,902,716	268,000	110,987	2,601,000	2,013,703
TOTAL	8,185,000	6,903,362	1,355,000	650,386	9,540,000	7,553,748
1957-58	1,943,000	--	280,000	---	2,223,000	---

* Includes £164,000 provided in Additional Estimates.

159. This table shows substantial underspending and that in one year only, 1955-56, has the appropriation been nearly expended. Expenditure under item 2 - Developmental Services has averaged only 48% of the appropriation over the same period. See paragraph 166.

160. The Estimates for Division No. 61 are determined in accordance with a general procedure for work programming, first introduced by the government in 1954 to ensure the smooth flow of work throughout the year. Fundamental to this procedure is that each project included in the civil works programme for any year should satisfy the following conditions :-

- "(i) it must be necessary to the performance of the 'approved functions' of the proposing Department and in accordance with policy approved by Cabinet; Exhibit No. 35/36, Appendix "A", page 2.
- (ii) it must be incapable of deforming without undue loss of efficiency; and
- (iii) preferably it must be feasible from a technical point of view to commence construction in the relevant financial year".

161. Initially, the arrangements provided that projects which qualified under (i) above but not under (ii) or (iii) might be placed on a Supplementary Works List but this has now been replaced by three Design Lists. One of the stated objectives of the variation in procedure was to ensure the "orderly progression of projects into the Works Construction Programme and the maintenance, as far as possible, of balance between the two phases of the (works) process - design and construction. Such a balance requires the volume and size of designed projects to be related to the absorptive capacity of new works construction programmes." Exhibit No. 35/36, paragraph 37.

162. The procedure adopted in the preparation of the works programme for the Northern Territory Administration and the estimates of expenditure under Division No. 61 is as follows :-

" Works programming involves the preparation of :-

Exhibit
No. 35/5,
paras.7-11.

- (a) Design Lists, and
- (b) Works Programme proper.

There are three Design Lists prepared by the Administrator each year :-

- (a) Design List 'A' - This list is prepared in November and includes projects of high priority which require advanced planning by the Department of Works. Projects are drawn from this Design List for the next year's Works Construction Programme.
- (b) Design List 'B' - Contains large works mostly costing more than £100,000 and generally requiring more than 18 months for the preparation of working drawings. Each year projects on this List in an advanced state of design will be considered for transfer to List 'A'. This list is usually prepared in the month of March.
- (c) Design Lists 'C' - is also devoted to large works usually costing more than £100,000. It is also usually prepared in March. The Minister for Works will use this list to authorise the Department of Works to undertake the investigation and limited design involved in presenting the proposal to the Parliamentary Committee on Public Works. Proposals approved by that Committee may then be considered for administration to List 'B' so that planning may proceed beyond the state of preliminary design. Thus List 'B' will be fed from List 'C'.

These forward planning arrangements include among their objectives an orderly progression of projects into the Works Construction Programme and the maintenance, as far as possible, of balance between the two phases of works process - design and construction.

Towards the end of each calendar year, Heads of Branches in the Northern Territory Administration are circularized by the Administrator with a view to planning details of all projects which they desire to be included in the next year's Works Construction Programme. In normal circumstances a consolidated Works Programme is prepared by the Administrator in January of each year. The projects in the programme fall broadly into (four) categories -

- (a) Projects in an approved Design List;
- (b) projects which have been included in a previous year's draft programme, but which for some reason - usually lack of necessary finance - have been excluded from the final approved programme;
- (c) individual projects covering more important works which have already been cleared with the Minister; and

- (d) miscellaneous projects which are being considered for the first time.

Before any project is included by the Administrator in his draft Works or Design Programmes, the procedure is as follows :-

- (a) Details of projects submitted by the various Branch Heads as necessary are submitted to the Local Director of Works for his technical advice and for preliminary estimate of cost.
- (b) The project is examined by the Administrator particular attention being given to need, cost, effect on financial provisions of current and following years, works potential and adherence to Government policy.
- (c) The draft Design List/Works Programme is then submitted to the Department of Territories in Canberra with all relevant information and with an appropriate recommendation.
- (d) After examination in the Department, the Design List/Works Programme is submitted to the Minister for Territories for consideration.
- (e) Subject to the Minister's approval the Design List/Works Programme is then referred to the Department of Works and Treasury for approval.

In between programmes, projects may be either :-

- (a) approved by the Minister in principle for inclusion in the next year's programme; or
- (b) if the work is of a high priority, special approval of the Department of the Treasury is sought to include the work in the current year's programme either as an addition or by substitution for a project of lesser importance."

Departments are required to submit their Works programmes to the Treasury and the Department of Works by the 31st January in each year.

163. The Department of Works informed Your Committee that, after the funds to be allocated to each department have been determined, the new works proposals are considered by the Treasury, the sponsoring department and the Department of Works. After allowing for the estimated expenditure on works already in progress (as previously determined by the Department of Works) the sponsoring department nominates the new projects it desires to be included in the programme according to the balance of cash available and having regard to the advice tendered by the Department of Works as to :-

- (i) the availability of the full requirements of the sponsoring department;
- (ii) the estimated cost of the proposal;
- (iii) ability to complete planning to enable construction to commence in the financial year, and,
- (iv) the estimated expenditure in the forthcoming year.

164. The civil works programme, as finally approved by the Government comprises both works in progress and proposed new works; for 1957-58 the position regarding Division No. 61 was :-

	<u>Works in Progress</u>	<u>New Works</u>	<u>Total Programme</u>	<u>Appropriation 1957-58</u>	The Civil Works Programme 1957-58, Department of Works, Page 35-37.
	£	£	£	£	
Item 1	1,522,151	3,401,160	4,923,311	1,943,000	
Item 2	225,862	499,100	724,962	280,000	
	<u>1,748,013</u>	<u>3,900,260</u>	<u>5,648,273</u>	<u>2,223,000</u>	

165. The responsibility for forming the programme, therefore, rests with the sponsoring department and Minister, who determine the content of the draft programme and the priority to be accorded to each item, subject to -

- (a) modification in the light of Government policy;
- (b) the funds made available, and
- (c) the advice of the Department of Works on potential and cost.

It is the responsibility of the Department of Works to carry out the programme on the requisition of the sponsoring department.

166. Your Committee have already commented upon the substantial under-expenditure under Division No. 61 in the last five years. We consider that the main reasons for this have been optimistic estimates of design capacity and works potential on the part of the Department of Works, administrative delays in both the Department of Works and the Administration and the incidence of the wet season upon a short financial year for Capital Works. The under-expenditure in 1956-57 under item 1 appears to have resulted mainly from the need to retard the works programme in the Territory in 1955-56, to comply with a decision of the government.

see paragraph 159

See paragraphs 169,170

167. The Administration submitted to Your Committee a most informative graph showing the relationship between the total programme, new works, revotes, expenditure and the appropriation over the period 1950-51 to 1956-57. Mr. Marsh, then Assistant Secretary, Department of Territories, informed us of the conclusions he had reached from an examination of this graph:

See Appendix No.6

"I can only suggest possibilities that occur to us in relation to the early stage. The Department of Works might have other reasons. It would seem that in 1950-51 and in 1952-53, there was a considerable programme and a fair level of revotes, and yet execution of work, measured in money, was fairly level. I think that that suggests the problem of potential. Whatever potential was available at that time was fairly flat, and there was no problem of design. I think the 1950-51 figures indicates that, no matter how big a programme you may have, your execution still goes back to the work potential. Following from 1952-53, there is a sufficient revotes programme to mean that the work was designed and had attracted a steadily rising works

Qs.2350-2353.

potential into the Territory. As that potential rose, the programme also increased, and the fairly considerable new works programme in 1954-55 was reflected in the highest level of revotes we have had in 1955-56. That was the year when the Department of Works fully expended. The estimating of the works potential was close to the appropriation, and there was no design difficulty. I think that that is an important lesson; if there is to be a maximum execution of works, there must be a high level of revotes.

COMMITTEE MEMBER: You have referred to the works potential, particularly in relation to those early years. Is it works potential or money that becomes the determining factor? --- (MR. MARSH) I think it is the works potential, because you will notice that, when the appropriation in 1952-53 was somewhat higher, the execution of works still stayed fairly flat.

COMMITTEE MEMBER: And yet there was a drop in 1950-51 in relation to new works from about £1,750,000 down to £750,000 approximately in the next year. That is more than 50% in the new works. --- (MR. MARSH) The revote figure was still substantially above the works potential and above the appropriation.

COMMITTEE MEMBER: That is why I raised the question whether the works potential or money comes into it, or whether you think in terms of works potential, as having some relationship to money? --- (MR. MARSH) I made the reference, but in 1952-53 when there was nearly £2,000,000 worth of revote work, which was designed, the appropriation was about £1,250,000. In other words, there was money available, yet the work executed still stayed fairly flat. Up to that point, works potential was the limiting factor rather than money or design."

Mr. Maunder, Acting Director of Works in the Northern Territory, placed more emphasis on the problem of design.

"The problem is more closely related to the works potential than is the actual amount of appropriation at any time, so far as I can see. I mean by that that irrespective of the size of the appropriation the amount of work that can be under-taken depends entirely on the production of the design office or the extent to which the officers of the design office can be supplemented by the use of consulting architects or engineers.

Qs2356-
2357.

COMMITTEE MEMBER: Would you have indicated to the Administration that the works potential was considerably less than the appropriation they would be seeking? --- (MR. MAUNDER) I do not think so because there will always be the attitude of our department that, although we realise that at any point of time our potential was not what it should be, we were hopeful that we could improve it. On the design side, we generally consider our capacity to recruit sufficient technical people to fill our approved establishments. There has been a tendency to err on the side of optimism in expecting an inflow of technical people into the area to assist in this sort of work. In many cases, those hopes have not been realised."

168. In the view of Mr. Marsh and Mr. Maunder, the lack of works and design potential have been two important factors limiting the government programme of works for the Northern Territory in recent years. The graph shows plainly the upsurge

of expenditure from 1953-54 but, until 1955-56, expenditure lagged well behind the appropriation: one cause for this was probably the delay necessarily involved in the building up of construction potential in the Territory, another was the competition for resources which came from activities at Rum Jungle.

169. An increased level of new works and substantial revotes in 1954-55 coupled with a lag in expenditure in that year resulted in a very high level of works-in-progress in 1955-56, and, in retrospect, it is evident that the initial appropriation for that year of £2,050,000 was inadequate to match the construction potential resulting from the Government's increased demands in the previous years. Early in 1955-56 it became necessary to slow down the rate of expenditure but even so, final expenditure exceeded the original appropriation by £116,000. However, under Item 1, Buildings, Works fittings and furniture, the excess was £200,000, part of which was offset by under expenditure under Item 2, the balance being covered by funds provided in the Additional Estimates. Mr. Yoxon, Assistant Director-General, of the Department of Works told us that the slow down had adversely affected expenditure in the following year 1956-57.

"COMMITTEE MEMBER: Why has this situation of under-expenditure been reached? --- (MR. YOXON) The year before last, the main capital works vote of the Northern Territory Administration - Division 61/1 - was approximately fully expended - 99.6% was expended. But had it not been for retarding efforts it would have become very heavily over-spent. The activity here was geared up.

Qs.2239&
2241.

COMMITTEE MEMBER: That was over-spent? --- (MR. YOXON) We had to take retarding action quite early in the year and practically ceased the letting of fresh contracts in the closing months of that year. Otherwise, we would have seriously over-spent the total funds. As a matter of fact, additional funds were provided by Cabinet in the latter part of the year. The effect of that slowing down was felt in the next year, particularly in the first months, because we had a gap in the flow of tenders to contractors in the last few months of the preceding year, and quite a considerable time elapsed before that gearing up could take place. In addition, some of the major spending items of the preceding year, such as the wharf, had geared up, the works of an entirely different kind had to be developed and geared up. So, at the end of the financial year 1956-57, the same high degree of expenditure did not occur. Quite substantial unexpended balances arose.

170. Superimposed upon this need to slow down the programme to live within the appropriation was a government decision, early in 1956 which was designed to slow down the Commonwealth works programme throughout Australia. Amongst other things, it required -

Q.2396

- (a) the cancellation of new works not committed,
- (b) restrictions on work by day labour employees of the Department of Works, and
- (c) the reduction in tempo of works already under contract.

Resulting partly from the application of this decision to the votes of the Administration and partly from a smaller new works programme in 1955-56, there was a substantial reduction in the level of revotes under Division No. 61 from £3,022,730 in 1955/56 to £2,057,510 in 1956-57 with estimated expenditure at £1,529,000 (actual expenditure £1,430,537). New works initially included in the programme totalled £271,000 only, making up a total programme of £2,328,510 and an estimated expenditure for the year of £1,800,000. However, in September 1956, a revised new works programme of £1,813,000 was approved and the appropriation increased to £2,601,000. Of the subsequent under expenditure in that year of a little under £600,000, £500,000 approximately was in respect of new works. Retrospectively, it appears that the relatively low level of revotes and the interruption to the new works programme in 1956 coupled with the late approval to the 1956-57 New Works programme and the problems of construction and design potential, made the spending of the full appropriation in 1956-57 virtually impossible.

Northern Territory Document No. 68, page 2.

See also paragraph 224.

171. The representatives of the Department of Works gave additional reasons for the extremely low rates of expenditure under Division 61/2 -Developmental Works :-

"COMMITTEE MEMBER: What is the reason for the considerable under-spending right back to 1952-1953 in relation to that vote? -- (MR. YOXON) possible Mr. Sullivan might be able to give us some idea of the difficulties in respect of this vote, which relates to pastoral roads, stock routes, and bores. --- (MR. SULLIVAN) I think we can say that the money spent on the stock routes is as estimated. The main drop is in the money spent on the pastoral roads. The Northern Territory has approximately three climates. There is the arid central climate, and the climate in the Katherine area, which is influenced by the Gulf and has a wet season, and there is the climate around Darwin. So there are three separate problems. Part of the roads at the top end can be done only at restricted sections of the year. Roads in the Katherine area can be done only between May and November - this is broadly speaking - and that varies, of course, from year to year. Down at the Southern end, we have pretty well an open go. There is a wet season in Alice Springs, but it is over all the year. The main difficulty with this work is that it is a very limited type of construction which is undertaken, but it is undertaken over enormous distances. You think in terms of £7, £11, £15, and £20 a mile. That is the type of work that we are doing on those roads. In those circumstances, the best thing we can do is to grade and gradually improve them. Supervision is difficult.

Qs.2247-2251.

COMMITTEE MEMBER: In 1955-56, the appropriation was £199,000, and the expenditure was £106,000. In 1956-57, you asked for and received £268,000, but your expenditure of £111,000 was only £5,000 more than in the previous year. In round figures, you spent only about 40% of your total vote. It so happens that, in relation to that vote, there is, every year, a considerable under-spending of the appropriation. There must be some reason.

As Members of the Parliament, we are entitled to expect appropriations to be what may reasonably be regarded as spendable amounts, and not considerably more than is expected to be spent. Can you give me a short answer about that? --- (MR. YOXON) I think the programming under this heading is impeded by the well known shortage of survey information, technical staff and organisation, and so on. --- (MR. SULLIVAN) That is so. --- (MR. YOXON) Are not prospects for next year better, Mr. Sullivan? --- (MR. SULLIVAN) Much better. The main expenditure on these roads is based on the assumption that we will have the people to do the work. That is about the strength of it. Up to date, we have not achieved it. We have effected considerable improvement in plant, which was a big factor in the old days, in maintaining it in remote localities. But that is not so important a factor now. The thing now is survey design and people in the field to do the work.

COMMITTEE MEMBER: Although there has been considerable underspending, until last year there was also a diminishing appropriation in relation to that particular section? --- (MR. YOXON) Yes.

COMMITTEE MEMBER: It was £400,000 in 1952-53, and it came down to £199,000 in 1955-56? --- (MR. YOXON) Next year, according to the present signs, it will go up again, because it has certain items in it in which we are currently active. I think the expenditure rate will show a pretty sharp curve upwards.

COMMITTEE MEMBER: It shows mainly in the lowering of the appropriations as well as the expenditure relating to the manpower situation --- (MR. YOXON) It is more the technical man-power situation than the other, because these works do not normally engage a lot of day labour. It is plant operation".

172. Your Committee will discuss further the Civil Works programme in the Territory and the subjects of potential and design in the Chapter dealing with the operations of the Department of Works in the Northern Territory. Here we have been concerned with the way in which the estimates of expenditure on capital works and services by the Administration have been determined, and the substantial variations between those estimates and annual expenditure. See Chapter III

(d) The Sub Treasury

173. The Sub Treasury in Darwin does not operate as a Branch of the Department of the Treasury but forms part of the organisation of the Northern Territory Administration. The staff, as officers of the Department of Territories, are responsible to the Permanent Head of that Department but communicate directly with the Treasury on matters relating to their day to day functions as a Sub Treasury.

174. The First Assistant Secretary of the Department of the Treasury, Mr. Hewitt, explained the functions of a Sub-Treasury as follows :-

" There are three particular functions :
First of all, as a central paying office for the
payment of Government accounts in their various forms;
secondly, the analysis of the expenditure according
to Parliamentary heads of expenditure and, thirdly,
deriving from that, a common service which is
provided to a number of departments whose individual
volume of liabilities is not great, that of
providing a certifying and authorising officer for
the expenditure of other departments. Those are
the three basic functions to which various other
ad hoc tasks are added periodically."

Q.4430

175. Your Committee were told that the volume of
business in the Darwin Sub-Treasury was now greater than that
of the Sub-Treasury in Tasmania and in some respects was
approaching a figure greater than that in Western Australia
and in Queensland. These Sub-Treasuries are independent of
other Departments and Mr. Hewitt expressed an opinion in
favour of formally transferring the staff of the Sub-Treasury
from the establishment of the Department of Territories to
the Treasury, saying that he had already had discussions with
the Department of Territories in the matter. Your Committee
sees no objection to such a move and consider there would be
advantages in having a separate Branch of the Treasury, headed
by a Treasury Officer, in the Territory but suggest that any action
should have regard to the ultimate objective of autonomy for
the Northern Territory.

PART II - CHAPTER II.

ORGANISATION, STAFFING AND ACCOMMODATION

(a) Organisation and Establishment

176. In Part I Your Committee discussed in broad terms the organisation of the Northern Territory Administration and set down the functions of the various Branches. We explained also that, of the present eleven Branches, eight form part of the Commonwealth Public Service, two, the Police and Prisons Branches, are staffed in accordance with the Northern Territory Public Service Ordinance, while the remaining Branch, the Education Branch, is staffed under an arrangement with the Education Department of South Australia. The organisation is on a functional basis with Branch heads responsible to the Administrator and/or the Assistant Administrator, who, in turn, are responsible to the Minister and the Permanent Head respectively.

See paras. 80, 81

See para. 101.

177. The Public Service of the Northern Territory was initially quite separate and distinct from the Commonwealth Public Service but, following an investigation by the Public Service Board and the Department of Interior, the Government, in October, 1940, decided that the Northern Territory Service should be brought under the Commonwealth Public Service Act. However, the Police, Prisons and Education Branches were excluded from the transfer mainly because those Branches had no counterpart in the Commonwealth Service at the time, but also because it was thought that no immediate advantage would accrue from placing the officers concerned under the Commonwealth Public Service Act. Forty-three officers were transferred.

See Exhibit No. 35/7, pages 1 & 2

178. As at 28th February, 1958, there were 788 positions under the Commonwealth Public Service Act and the Northern Territory Public Service Ordinance on the establishment of the Administration; in addition, there were 98 teaching positions in the Education Branch. There were 610 persons actually employed at that date under the Act and the Ordinance, and 88 teachers and 369 "exempt" staff not subject to the Public Service Act nor the Northern Territory Public Service Ordinance, making an overall total of 1,067.

Exhibit No. 35/68 (as amended)

179. The following table shows the growth of the Public Service sectors of the Administration since 30th June, 1951 :-

	Commonwealth Public Service		N.T. Public Service		Total		Ratio of employees to establishment.
	Established Positions	Persons Employed.	Established Positions	Persons Employed.	Established Positions	Persons employed.	
30.6.51	323	253	96	74	419	327	78
30.6.52	325	251	96	65	421	316	75
30.6.53	329	273	96	79	425	352	83
30.6.54	347	300	98	72	445	372	83
30.6.55	388	335	98	78	486	413	85
30.6.56	482	398	128	86	610	484	79
30.6.57	508	425	142	94	650	519	80
28.2.58	640	507	144	103	788	610	76

(N.B. The table does not include teaching staff nor "exempt" staff.)

Of the 640 positions established under the Commonwealth Public Service Act as at 28th February, 1958, 482 were on a permanent basis and 158 temporary. Of the Commonwealth Public Service staff as at that date, only 253 were permanent officers, 254 were temporary officers and 133 positions were vacant. The table shows,

too, the recent rapid growth of the Northern Territory Administration. In a period of 32 months from 30th June, 1955, the Public Service establishment of the Administration has increased by 302 from 486 to 788, while the number of Public Service employees has risen by 197 from 413 to 610.

180. The Administration of today is, thus, a large organisation employing over 1,000 persons engaged in a wide and diverse range of occupations and scattered throughout the Northern Territory.

(b) Vacant Positions, Turnover of Staff, Training and Recruitment.

181. The Public Service Board in a submission to Your Committee in December, 1956, mentioned some of the problems which had been met in rebuilding the Northern Territory Service in the post war years after the civil administration returned to Darwin in 1946. Many of the facilities such as buildings that were introduced during the military occupation had little permanent value, and not much remained of the pre-war administrative machine. The first few years of reconstruction co-incided with the high peak of full employment in Australia when many materials were in short supply and under some form of distribution control. In the Board's view no physical means available to the Administration for hastening development were neglected. The Board went on :-

Exhibit No. 35/1, page 1.

" In terms of personnel, the Board and the Department have steadily sought to build up administration. Recruitment has been extremely difficult, turnover heavy, and the quality of men offering for service in the Territory was well below the standards which we would normally look for.

Exhibit No. 35/1, paras. 6, 7 & 9.

It is only over the last two years that there has been any improvement in this general situation, and, although establishment is by no means filled and although many of the people whom we employ are still below the standard we would like, there has nevertheless, in the Board's opinion, been a heartening improvement in the pattern of administration and in work method. Much remains to be done.

.

The Board's attitude to staffing is to take full account of the task ahead as well as the immediate task, and this leads us to a liberal approach to establishment notwithstanding the difficulties of recruitment."

The Board concluded its statement :-

" It may be a number of years before either the Department or the Public Service Board could give an assurance to a Public Accounts Committee or any other inquiring authority that the territorial administration has achieved the level of stability and efficiency which they might consider proper. The Department and the Board must do the best they can within the circumstances prevailing, and the criteria of stability and efficiency will remain largely a matter of compromise in the meantime. The authorities concerned should, in the Board's view, work flexibly in gradually building up the administration to meet the criteria mentioned."

Ibid, para. 16

182. The Northern Territory section of the Administrative and Clerical Officers' Association submitted a document to Your Committee in which appeared the following statement :-

" The general inefficiency of the Public Service in the Northern Territory can be attributed to the following :- Exhibit No. 35/50.

- (a) Shortage of staff, including shortage of trained staff;
- (b) The high rate of staff turnover; and
- (c) The loss of efficiency because of climatic conditions and the lack of amenities."

When appearing before Your Committee in Darwin, the then Chairman of the Northern Territory Section, Mr. M.J. Moore, explained this statement as follows :-

" The comment upon inefficiency does not mean inefficiency by Members of my Association but the failure of departments in the Northern Territory to carry out fully their functions. In other words they have not carried out their allotted duties and the reasons are presented in the statement." Q.3333

The document appears in Appendix No. 7.

183. The Administrator had this to say about the ability of the Administration to discharge its responsibilities properly:-

"COMMITTEE MEMBER. - Are you, Mr. Archer, of the opinion that the staff of the Administration, as at present constituted, is able to provide what you term sound administration?-- (MR. ARCHER) I am definitely of the opinion that it is not and I think it becomes obvious, if you look at the establishment. There you have represented the considered views of a number of authorities as to the type and extent of staff that should be here in order to carry through the work of administration. If you look at the number of staff that are actually available, the gap in numbers conclusively suggests, I think, that the administration is not at present geared up to discharge fully its complete responsibility of administration." Q.1378

In later chapters we record other evidence that also shows that the Administration has not been functioning as it should.

184. A feature of the Commonwealth Public Service section of the Administration of some importance is the continuing high level of temporary employment in a service which is intended to be staffed substantially by permanent officers. Although, since 1951, the ratio of temporary positions (which need not necessarily be occupied by temporary officers) to permanent positions has not exceeded 37% and overall has averaged 31%. On the other hand, the numbers of temporary Commonwealth Public Servants have always exceeded those of permanent officers although this tendency had all but disappeared by 28th February, 1958. The following table more clearly shows the position since 30th June, 1951 :-

Positions and Persons under the Commonwealth

Public Service Act.

	Established Positions		Temporary to Permanent	Persons employed		
	Permanent	Temporary		Permanent	Temporary	Temporary to Permanent
30.6.51	253	70	28%	92	161	175%
30.6.52	255	70	27%	105	146	139%
30.6.53	255	74	29%	131	142	108%
30.6.54	271	76	28%	137	163	119%
30.6.55	299	89	30%	136	199	146%
30.6.56	351	131	37%	152	246	162%
30.6.57	373	135	36%	191	224	123%
30.6.58	412	142	35%	252	252	100%

A proportionately high level of temporary employees can lead to an unstable Service and, in the case of the Administration, has undoubtedly been a reason - but by no means the only reason - for the high turnover of staff which was reported to Your Committee. It can also affect the overall quality of the staff and is indicative of recruitment problems.

185. However the difficulties of recruiting sufficient and suitable staff is not the only reason why the Administration has not been able to discharge its functions satisfactorily in the past. The Administrator told us that there had been a lag in strengthening the establishment of the Administration to meet the increasing demands for public services in the Territory. Although this lag has now largely been overtaken, there will always be a Public Service establishment less than necessary so long as the Territory continues to develop and its needs expand rapidly. This tendency is aggravated by the involved and time-consuming processes which must be followed to enlarge or vary an establishment and which can result in delays of many months. Mr. Brown, Assistant Commissioner of the Public Service Board, explained the procedures to us :-

Qs. 1302,
1303.

"(MR. BROWN) The creation of positions is an important matter that is governed by the provisions of Section 29 of the Public Service Act. That requires a report to the Board by the Permanent Head of the department, a recommendation by the Public Service Board to the Governor-General, and the approval of the Governor-General. The designation and classification of each position must be stated in full. Under the Public Service Act, the classification is defined according to the value of the work. Under the law, the positions in the Northern Territory Administration must be channelled through the Department in Canberra to the Board, and the recommendation to the Board must contain sufficient information to enable it to assess classification and establishment requirements. The Board then investigates the proposals to satisfy itself generally that the functions are within the charter of the department; that the staffing proposals are appropriate to actual requirements; and that the classifications proposed are warranted. If sufficient details have not been furnished to enable the Board to determine these matters, that is likely to lead to delay because of the channelling back to Darwin.

Q.1346

The creation of a permanent position establishes, in effect, an annual liability against public funds. The Board will not issue a recommendation for the creation of a position until the department advises that funds are available. Over the past twelve months, a considerable number of creations have been delayed considerably, awaiting advice that funds are available after the Board has indicated its preparedness to create the positions. A case in point is the position of training officers, which the Board considers very necessary. The Board agreed some twelve months ago to a position and in fact secured for the department a very experienced and competent officer who was ready and willing to accept that appointment. Funds were not available, however, until quite recently, and in the meantime the officer who was then available lost interest and is no longer available. In consequence, there has been some considerable delay in that matter.

See para.
150 above.

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There are perhaps some other factors which have caused delay, due to the fact that there has not been a clear understanding as between the Northern Territory Administration and other departments in regard to functions. Two such cases come readily to my mind. The first was on the geological side and the other on the water use side ..

186. The opportunities for delays to occur are, therefore, many. If the power lay with the Administration to approach the Public Service Board direct in matters of establishment, one time consuming stage in the process would be removed; delays might further be reduced if a Public Service Inspector were permanently stationed in the Territory.

See also paragraphs 214 - 220.

187. When considering the past lack of an internal audit within the Administration Your Committee cite an example of the long delays which have occurred before the Administration has been able to obtain suitable staff to fill established positions. That example focuses attention upon one of the Administration's major problems - the virtual absence of trained personnel locally from which new staff can be drawn and wastage made up. The Administration has had to attract Public Service staff from other States and the Australian Capital Territory, an extremely difficult task for a variety of reasons such as inadequate housing, poor office accommodation, lack of facilities and amenities, the climate, isolation, high cost of living and other disadvantages which were brought to our notice by various witnesses in Darwin.

See Chapter VII and Appendix No. 11. and paragraphs 259-263

See sections (c) and (d) in this chapter.

188. However, the situation is improving as housing becomes available for Public Servants and local facilities increase. A special effort by the Public Service Board to recruit new staff from southern States met with some measure of success and local recruitment has also improved. The Administration has instituted an internal training scheme for new officers and arrangements have been made to assist temporary personnel to qualify for permanent appointment by instituting at the Darwin school evening classes for instruction in subjects leading to entry into the clerical division of the Public Service by examination. In 1957 there were 65 enrolments for those classes.

Qs. 1355, 1358 & 1386.

See para. 316.

(c) Office and Private Accommodation.

189. Accommodation, both domestic and office, has unquestionably been one of the major problems which the Administration has had to face in the post war years and although there has been some improvement in recent years the situation is still most unsatisfactory.

190. Office accommodation in Darwin was one of the matters which Your Committee discussed with Sir William Dunk, G.B.E., Chairman, Public Service Board, at our hearings in Canberra in March of this year.

"COMMITTEE MEMBER. - When I was in Darwin the office accommodation was described as 'nothing less than shocking'. If I were a clerk who was asked to work in those conditions I would flatly refuse. (SIR WILLIAM DUNK) ... I know the Accounts Branch at the back of the old Administrative building well and I agree that its accommodation is bad. For the rest, in my judgment, it is a matter of two things: One is to get new buildings on the works programme and to get them constructed; the second is to have the right conditions in those buildings. I think that new buildings of any size should be air-conditioned. Air-conditioning, in these days, is not a luxury. It is a necessity. I think it is a good profit item of administration. It is hard to prove these things. Only experiment will prove them. At Darwin, we have not had very much time since the war. I said in my letter to the Committee that we had been dealing with areas of compromise. A couple of years ago nearly all the administration was centred in the area that you are talking about. We now have the other area - the Legislative Council and the surround. It is good accommodation, but it is not good enough because it is not air conditioned."

Q. 4170

The Legislative Council building, to which Sir William referred, is the only substantial permanent Government office building erected in Darwin in the post war years. Completed in 1955, it does not, as explained by Sir William, entirely match up to the standard required in a tropical climate. With isolated exceptions, the remaining office accommodation, much of it converted galvanized iron Army huts, was, at the time of Your Committee's visit, very much below that standard and some, such as the Motor Registry section and many of the Administrative offices in Cavenagh Street, was extremely poor.

191. The problem of office accommodation in Darwin is not a recent one, and proposals to erect new offices have been the subject of two inquiries by the Parliamentary Standing Committee on Public Works. That Committee, reporting upon the existing accommodation in 1939, said :-

" At present, officials are variously located in six different and widely separated areas. The Administrator's office is in the grounds of the Government Residency, the main Administrative Offices are opposite, in the single-storied stone building above referred to, Aboriginal Affairs, Crown Law Officer, and Sanitation Section are in a building in Mitchell Street, the Lands, Mines, Taxation, and Stock branches are in a two-storeyed timber structure in Cavenagh-street, the District Naval Office is in a small concrete building near the Post Office, and the Works Director and staff occupy a timber structure near the railway.

Parliamentary Standing Committee on Public Works Report, 1937-38-39, Administrative Offices at Darwin, N.T., Page 3, paras.2-3.

With the expansion of activities and the increase in staffs, the space available in the main administrative building is becoming increasingly crowded, and it is represented that officials now are working under cramped and generally unsatisfactory conditions. The use of the Lands and Mines building was never regarded as other than a temporary measure, and the fact that staffs are scattered at various points throughout the town leads to loss of time and lack of efficiency and economy."

192. One of the Committee's recommendations was that more commodious office accommodation should be provided as early as possible, but the intervention of the war resulted in the current project being abandoned.

193. The Public Works Committee in their 1955 Report upon the proposed erection of office accommodation for Administration staff in Darwin had this to say about the situation :-

"12. Present Sub-standard Accommodation. - After the war many ex-service hutsments of various kinds were pressed into use to alleviate the urgent need for office accommodation. Such buildings are still being used and, almost without exception, they are entirely unsuited to their present purposes under tropical conditions. It has been stressed that the problem of recruiting staff is particularly difficult in Darwin, where the turnover of staff is very high, and it is contended that greater attention to working conditions would improve efficiency, would ultimately reduce operating costs, and would encourage staff to remain in Darwin for longer periods.

Parliamentary Standing Committee on Public Works Report 1954-55, Accommodation for Local Administration Staff at Darwin, N.T. paras. 12-14

13. Apart from the uncomfortable and unsuitable types of buildings being used, an important factor to be considered is the wide dispersal of the different activities in various parts of the town, and some even in a converted mess hut at Larrakeyah, over a mile away.

14. The Committee therefore has no hesitation in confirming the recommendation made by the previous Committee, that office accommodation is urgently necessary, and emphasizes that present-day conditions and important developments taking place make it all the more imperative to construct the buildings without delay."

Amongst other things, that Committee recommended that the new buildings should be air-conditioned and should provide accommodation for other Commonwealth Departments as well as the Northern Territory Administration.

194. The following schedule shows the accommodation occupied by various departments in May 1955 at the time of the Inquiry by the Public Works Committee. The Attorney-General's Department is not included as proposals for a new Court House and offices were concurrently under consideration; nor is the Postmaster-General's Department or the Service Departments.

Department	Males	Females	Total	Type of Building now Occupied
Labour and National Service	21	3	24	Old converted residence.
Bureau of Census and Statistics	2	1	3	Part Sidney Williams Hut.
Department of Civil Aviation	54	7	61	Converted acquired residence
Department of Customs	9	1	10	Sidney Williams Hut.
Department of Works	203	43	246	Ex Army Huts.
Department of Health	30	4	34	Converted Mess Hut.
Audit Office	4	1	5	Converted dwelling over shop.
Department of Immigration	4	1	5	Part Sidney Williams Hut.
Department of Education	4	1	5	Part Sidney Williams Hut.
A.I.S.O.	3	-	3	
<u>Northern Territory Administration</u>				
(a) Administration and General Services	58	13	71	Converted hostel.
(b) Motor Vehicle Registration	4	1	5	Old converted residence.
(c) Welfare	40	10	50	Sidney Williams Huts.
(d) Mines	23	3	26	Sidney Williams Huts.
(e) Accounts	43	15	58	Hut in Army Area.
(f) Lands	57	3	60	Converted Flat
(g) Animal Industry Branch	6	1	7	Sidney Williams Hut.
(h) Transport	3	2	5	Part Vesty's old building.
(i) Harbour Master	2	1	3	As for N.T.A. Gen. Services.
Commonwealth Railways	4	2	6	Galvanized Iron Hut.
Police Department	18	2	20	Converted Shops and Dwellings.
	592	115	707	

Parliamentary Standing Committee of Public Works M. o. E. 1954-55 Commonwealth Offices, Darwin; page 6.

195. The then Administrator of the Northern Territory, the Hon. F.J.S. Wise, made the following comment to that Committee about the office accommodation then occupied :-

" Much of our office accommodation is insufficient, inappropriate and generally unsatisfactory, and this may be verified by complete, or even cursory, examination of the habitations used. In a general way it may be said with certainty that no group of public servants in any State of Australia work under such difficult and unsatisfactory office conditions. ..."

Ibid page 9.

Mr. Wise submitted a most detailed statement to that Committee from which the following extracts have been taken :-

" When the Civil Administrative staffs returned to Darwin in December, 1945, it was found that -

Ibid page 10.

- (a) the Post Office building had been completely wrecked by enemy action;
- (b) other buildings had suffered extensive damage; and
- (c) the Navy were in occupation of the area that had housed the majority of pre-war government officials.

As a result of these circumstances it was necessary to restrict, over a period of years, the re-establishment of some departments and branches at Darwin until temporary office accommodation could be made available and, as at this date, the Taxation Department has still not returned owing to lack of suitable office accommodation.

During the years 1947 to 1954 temporary office accommodation has been progressively provided for all the abovementioned displaced departments, etc., except Taxation, and in addition space has been found for the Immigration Department, Labour and Rational Service Department, Prices Branch, the Commonwealth Office of Education, the Commonwealth Bureau of Census and Statistics, the Registrar of Motor Vehicles, Northern Territory Administration Transport and Maintenance, and Agriculture sections. This temporary office space has been provided by such expedients as -

- (a) the erection and reconstruction of war-time Sidney William Huts;
- (b) conversion of residential buildings;
- (c) conversion of pre-war shops and stores; and
- (d) purchase and occupation of surplus Service buildings in the Army area at Larrakeyah.

The implementation of the Commonwealth Government's policy for the development of the Northern Territory has necessitated considerable increase in office personnel in most departments, but to date there has been no serious attempt to house such staff in modern offices, as works of higher priority, such as housing, have consumed available finance and works potential.

However, the position has now become so serious that it is essential an early start be made to provide adequate modern office accommodation, centrally situated, and designed to meet tropical conditions. The construction of such a block of offices will also release much valuable land which is at present carrying scattered and unsightly temporary government office buildings."

Mr. Wise then went on to describe in more detail some of the existing accommodation :-

"(i) Accounts Branch: It present occupying a converted Army building of 3,150 square feet situated in the Army area at Larrakeyah and over one mile distant from the main administrative building. This building is unsuitable as it lacks modern amenities; it has poor lighting; it is not readily accessible to the public; it requires operation and maintenance of a transport service for transmission of inter-office correspondence; it perpetuates the inefficient and uneconomical use of personnel" Ibid, page 10.

Sir William Dunk told Your Committee that the Accounts Branch accommodation was "dreadful". The Branch has now moved to somewhat better, but still sub-standard accommodation situated in the old Administration Offices in Cavenagh Street.

"(iv) Welfare Branch: Occupies 2,000 square feet of floor space in two partly converted Sidney William huts; the office accommodation is sub-standard, due to poor lighting and ventilation; available floor area is unsuitable for efficient disposition of personnel. The space available is insufficient to meet existing requirements. Substantial increase in staff establishment with early additional appointments will require further space being made available as a matter of urgency." Ibid, page 11.

(v) Mines Branch: Recently occupied three converted Sidney William Huts, giving floor space of 3,600 square feet. These offices are better than most of the temporary accommodation, but will be inadequate to meet the estimated 1958 requirements of this branch; the buildings were erected as temporary accommodation only and are not suitably sited for public convenience.

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(vi) Plant Industry Branch (Agriculture): This is a newly created branch occupying 1,200 square feet of floor space in a converted Sidney William hut which is poorly ventilated and poorly lighted in office areas, and there will be insufficient space to house all personnel when final staff requirements are determined."

These Branches still retain this accommodation to which some improvements and extension have been made since 1955. They are situated approximately three quarters of a mile from the main office of the Administration in the Legislative Council Building.

196. The statement also included information about the offices of other departments :-

"(e) Department of Works -

(i) This department occupies an 'H' shape ex Army building of 15,400 square feet brought to Darwin in three sections from Adelaide River in 1945. It is overcrowded; it has poor lighting; it lacks modern office amenities for staff; it is unsuitable for economical layout in office design; it has a high noise factor with resultant distraction to personnel; and is generally unsuitable for conversion to permanent office accommodation." Ibid page 11.

The Department of Works still occupies this building.

- "(f) Immigration Department - Occupies 400 square feet of floor space in portion of converted Sidney William hut adjacent to main Northern Territory Administration Cavenagh-street offices. There is insufficient floor space to house personnel and records; the building is poorly lit; there are no office amenities; and the public premises are not conveniently accessible to the public." Ibid

The Department is now using a recently erected domestic residence as an office and this space has been taken over by the Welfare Branch of the Administration.

- "(h) Labour and National Service Department - Occupies 1,038 square feet of floor space being portion of a building originally designed for use as a domestic residence. The building is in a deplorable state of repair. There is no provision for staff amenities; there is little security and insufficient privacy for conducting confidential interviews; the state of repair and design of structure make it quite unsuitable for conversion to permanent office accommodation. ..." Ibid.

This building is shared with the Motor Vehicle Registration Section of the Administration. While Labour and National Service, by extensive renovations, has now quite attractive offices, that part of the building occupied by the Motor Vehicle Registration Section is still in a deplorable state of disrepair.

197. Your Committee discussed the position with the Secretary, Department of Territories, Mr. G.R. Lambert, C.B.E., who endorsed the remarks of the Chairman of the Public Service Board about the need to improve office accommodation and continued :-

".... One cannot over-emphasise the need for special conditions to induce officers from the south to take up duty in a tropical climate. I agree with the Chairman of the Board that air-conditioning of the offices is most important." Qs. 4398-4403.

COMMITTEE MEMBER. - But before you get to air-conditioning are there not basic things that should come first? For instance, we have that show at Larrakeyah that was mentioned this morning? --- (MR. LAMBERT) I do not think the Administration is now in Larrakeyah.

COMMITTEE MEMBER. - What about the basic necessities that should come first? --- (MR. LAMBERT) I agree with that. It is a matter of getting proper buildings. To start with, some of the offices up there are certainly substandard and we have recognized the fact. The extent to which we can remedy the position depends entirely on what we can get into our works programme and what we can get in the way of finance and works potential.

COMMITTEE MEMBER. - Two examples of bad accommodation are the Motor Registration Section and the Welfare Branch. Has the Department any definite plans for improving the position? --- (MR. LAMBERT) Yes. This financial year our works programmes include proposals for the building of new offices* measuring 60 by 20 feet and two others measuring 80 by 30 feet, at an estimated cost of £16,800. Next year our programme provides for a 16,460 square feet building at an estimated cost

* These are temporary offices only.

of £230,000. That is the works programme we are submitting. What we can do will depend upon how much your colleagues in Parliament vote us for our works programme for this year.

COMMITTEE MEMBER. - Do not pass that on to us. It depends very largely on your own judgment of the extent of the priorities you allocate? --- (MR. LAMBERT) Office accommodation and housing in the Northern Territory works programme have a high priority.

COMMITTEE MEMBER. - If there is a list of 100 priorities and this is down in the 25th place you might consider it high priority but I might consider it low. It is the degree of importance that you attach to this and the priority you give it that matters. I raise this subject because it must be a vital factor, as we saw on our visit, in limiting the intake of very highly desirable public officers to the Territory. ..."

198. At the present rate of progress, therefore, and notwithstanding existing conditions, it will be some time before ample modern permanent accommodation, suited to a tropical climate, becomes available for occupation by the Commonwealth staffs in Darwin and this can only adversely affect general office efficiency. Indeed, the primitive conditions in which many officials were required to work for so many years have been, in our view, one of the main causes of the inefficiencies acknowledged before Your Committee. We note that over 18 years have passed since the Standing Parliamentary Committee on Public Works first recommended that additional office buildings be erected in Darwin and nearly three years since the same Committee emphasised the need to construct the new Commonwealth offices without delay.

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199. Like the Department of the Interior in relation to the Australian Capital Territory, the Administration is the civil housing authority for the Northern Territory and it also operates hostels for the accommodation of certain Commonwealth staffs. Its interest in housing is three-fold. It owns permanent housing, which is available, on allocation, for leasing by public servants and key technical and industrial personnel, it rents substandard "emergency" housing to private persons, including employees of the Commonwealth and it operates a housing loan scheme under the Housing Loans Ordinance 1949-1955. But unlike the Australian Capital Territory, there is no housing scheme functioning in the Territory under which domestic residences are available for renting to private persons generally.

200. In its 30th Report on the Commonwealth Public Service for the year ended 30th June, 1954, the Public Service Board included this comment on housing and accommodation in the Territories :-

" It would be impossible to over-emphasize the importance of housing. The fact that the Government must provide housing for its employees in these outlying centres is generally accepted, but construction since the war has kept well behind the demand. Where houses can be offered, it greatly assists recruitment. Where they are not available, it is usually impossible to recruit.

30th Report
of P.S.B.
on the
Commonwealth
Public
Service,
1954 page 7.

The same comment applies to hostel accommodation for single employees or married ones without their families. Some of the hostels are well below good standards and some quite definitely sub-standard. The newer ones are better, but there are not enough of them in centres like Darwin ...

The Board is aware that the Government is placing increasing emphasis on the housing programme and it wishes only to stress that the provision of houses and hostels of good type is a key to recruitment and to efficient administration. Without it, there is little chance of any marked improvement."

201. Although at that time the shortage of housing was a very serious deterrent to recruitment, that shortage, so far as public servants are concerned, has now been largely overcome and this has been a most important factor in improving the staff problem. During the three years ending 30th June, 1957, of a total of 839 new houses and flats completed in the Territory, half were built by the Government for its own employees; 582 were built in the Darwin area. There have also been substantial advances in the standard of hostel accommodation available. At the time of the Darwin sittings, the Administration was operating three hostels in Darwin, providing good accommodation for approximately 250 single persons at inclusive tariffs ranging from £5.10.0 per week to £6.1.0 per week. Persons not employed by the Commonwealth are not usually accommodated in these units.

202. The housing loan scheme was introduced on 1st July, 1953, and to the end of 1957, 255 loans had been approved, of which 168 were in respect of new homes.

Press release by Minister for Territories. No. 954, 27th Dec., 1957.

203. Numerous complaints were made to Your Committee about the lack of housing for renting to non public servants employed by the Commonwealth, and to other private persons with family responsibilities. Such persons are eligible for loans up to a maximum of £2,750 under the housing loan scheme controlled by the Administration, but Mr. R.W. Steele, Secretary of the North Australian Workers' Union, told us that the cost and problems of building in Darwin were such as to place home ownership beyond the reach of the ordinary worker.

204. Because of these circumstances many people are forced to live under primitive conditions; some reside in huts leased to them by the Commonwealth.

" Because of the acute housing situation after the last war, many former service huts were taken over for emergency civilian housing. At present there are about 40 timber-framed huts and some 80 steel and corrugated iron type huts still in use as residences in the Darwin area. These are additional to the huts in the Parap area (32.)"

N.T. Report 1st July, 1955, to 30th June, 1956, page 14. Tabled March, 1958.

Others live in caravan parks or "squat" in such shelter as they can find.

205. We discussed this kind of accommodation with Mr. Steele.

"COMMITTEE MEMBER. - In what way are they sub-standard? --- (MR. STEELE) From the day these houses were taken over, small rents were charged of 5/-, 7/6, 10/- and 22/6, but not one nail has been supplied for repairs. The houses have deteriorated to a stage where they fall down and they are not being replaced. The floors are eaten away with white ants, drains are in a particularly bad state. Last year there was a very bad outbreak of gastro from one of the sub-standard houses at Winnellie. That originated from the open drains outside the kitchens. They are just cess pools. Winnellie is approximately five miles from Darwin near the show ground. There are 30 - 40 homes there, and they are occupied by families. The average family is 3 or 4 children. Originally, those houses were service buildings taken over by the Administration.

Qs. 3297
3298.

COMMITTEE MEMBER. - Have they been converted? --- (MR. STELLE) No, they were plain tin sheds. The tenants have erected the partitions and done all the painting. Some have rebuilt a house. In one section, there were six houses originally. They have fallen down. One will not survive the next blow. The sixth has been rebuilt by the occupant, who is having great difficulty in buying the house because he is not a permanent public servant."

The Director of Health, Dr. A.H. Humphrey, agreed there was standard housing in Darwin, particularly in the Winnellie and Farap areas, and said that his Department had made frequent representations to the Administration with a view to having conditions improved particularly from the health viewpoint.

"COMMITTEE MEMBER. - Has your Department the power to condemn places considered unfit for human habitation? --- (DR. HUMPHRY) Yes. Qs. 4019 4022

COMMITTEE MEMBER. - But you do not do it? --- (DR. HUMPHRY) We certainly have done it, but not in this area because it is no good condemning a house if you have nowhere else available for the occupant to live.

COMMITTEE MEMBER. - I appreciate that point, but you feel yourself that some action should be taken, particularly in relation to those two areas. Do conditions there have a detrimental effect on health? --- (DR. HUMPHRY) There is no question about that. We had an outbreak of typhoid in that area, five or six cases, which could have been a menace to this town. The condition of the lavatories there give rise to many cases of gastro-enteritis and dysentery. They are mostly what are called flaming furies - a most undesirable type of lavatory for the people who live out there. Flies breed in these insanitary latrines, and as we know, flies spread disease.

COMMITTEE MEMBER. - Have you submitted any recommendation on the matter to the Administration? --- (DR. HUMPHRY) Yes, we have had consultations with the Assistant Administrator, and some improvement has been effected. Some of the houses have actually been connected to the sewerage, and there are plans to put in septic tanks to try to eliminate the trouble altogether."

206. The Administrator told us that a list of housing requirements for private persons was not maintained :-

"COMMITTEE MEMBER. - Is there any registration of the housing requirements of private persons? --- (MR. ARGHER) We do not keep a housing list for the requirements of private persons. We do occasionally receive representations as to the need to provide houses for the private sector of industry here. Those representations are being considered at the moment, but as yet, no decision has been made on future policy in that regard." Q. 3914.

207. Your Committee are satisfied on the evidence submitted to us by Mr. Steele and Mr. L.L.D. Richardson, J.P., Mayor of Darwin, and other witnesses, that the inability of many private persons to obtain suitable housing is reducing the number of competent industrial and wages staff available to the Commonwealth, is retarding the growth of a stable work force and is one of the causes of the high rate of staff turnover. Clearly all these factors militate against efficiency and result in increased costs to the Commonwealth.

(d) Salaries, Cost-of-living and Amenities

208. The conclusions reached by Dr. R.K. MacPherson in his investigations into employment and living conditions in tropical areas add substance to the criticisms and recommendations of the Northern Territory section of the Administrative and Clerical Officers' Association. Your Committee understand, too, that the report by the public service committee, which investigated equipment for houses and amenities, also shows that the views submitted to us by the Association were fully warranted.

See Appendix No. 1
See Appendix No. 7
See para. above.

209. Commonwealth public servants and some temporary employees of the Commonwealth have some advantages over their counterparts in southern areas and these include :-

- (a) District Allowances, which are subject to income tax, ranging from £70 for single officers and £120 for married officers at Alice Springs to £175 for single officers and £275 for married officers at Darwin.
- (b) A zone concessional deduction of £180 for income tax purposes, which, in some cases entirely and in other cases substantially, offsets the increased income tax attracted by District Allowance.
- (c) Recreation leave additional to the normal entitlement of three weeks per annum, ranging from four days a year in Alice Springs to two weeks a year in Darwin.
- (d) A concession whereby a substantial contribution is made towards the cost of fares of an officer and his family, to and from a southern State, each two years.
- (e) Somewhat more generous salary classifications are given by the Public Service Board in certain cases.

Officers employed under the Northern Territory Public Service Ordinance receive substantially the same advantages; however, apart from (b), comparable benefits are not necessarily available to the remaining employees of the Commonwealth and other persons in the Territory, although a recent amendment to the Works and Services (Northern Territory) Award provides for payment of District Allowance. Various private organisations have also established special conditions for their employees.

Thirty-Third Report of the Public Service Board, page 18, tabled 9th October, 1957.

210. Your Committee is satisfied that the cost-of-living in Darwin is high and well above that of other capital cities in the Commonwealth. We were told that the position of some Commonwealth employees, particularly that of married men with families, receiving the Darwin basic wage of £14.5.0 or slightly above it, who do not receive District Allowance, and work little overtime, was very difficult.

Qs. 3283-3294

211. The Public Service Board informed Your Committee that District Allowance represents a form of compensation for climatic conditions, isolation and the higher cost-of-living experienced by officers and employees required to perform duties in remote areas. The extent to which current rates of District Allowances adequately compensate public servants for the acknowledged disabilities of living in the Northern Territory is not one with which Your Committee is competent to deal, but the Board did tell us that the method of determining these allowances is under review. The current rates have operated from 1st July, 1956.

Exhibit No. 35/7, para. 12.

212. However, although the relative position of public servants is somewhat more favourable than that of some other classes of persons in the Territory and is improving, it seems that, notwithstanding the special benefits enumerated above, the absence of certain amenities and facilities associated with normal living continue to have an adverse effect on the availability and retention of staff. While more staff is now being attracted to the Territory the wastage is still high and one of the main reasons for this is the dissatisfaction of wives and families with general living conditions. Q. 3359

213. It is not our intention, nor our task, to propose what amenities and facilities should be available to Commonwealth staffs and their families in the Territory or what recompense should be made for their absence; these matters are under consideration by other authorities. But we have drawn attention to these things because of their obvious importance to the staff and their effect upon the overall efficiency of the Administration and other departments.

(e) The Public Service Board.

214. The Public Service Board, while it maintains offices in all Australian States and the Australian Capital Territory, has no office in the Northern Territory. The Public Service Inspector for the Northern Territory is permanently stationed in Canberra and makes, on an average, three separate visits each year to the Territory. Other Board officers visit the Territory from time to time and, in addition, the Northern Territory Administration, as agent of the Board, carries out certain Board functions such as recruitment, examinations and general training. A schedule showing the visits made by Board officers between 1st July, 1955 and 28th February, 1958, appears in Appendix No. 8. Q. 4180-4182

215. One of the recommendations submitted to Your Committee by the Administration and Clerical Officers' Association was that a resident Public Service Inspector should be appointed for the Northern Territory :- See Appendix No. 7

"COMMITTEE MEMBER. - You have recommended that a resident public service inspector be appointed in the Northern Territory. What is your comment on that point? --- (MR. MOORE) We have pressed this point for some time with little success. The functions of the Public Service Board are defined in various parts of the Act. It would speed up the machinery of administration if one were on the spot and it would assist officers because there would be less worry about appeals." Q. 3269

The Association also suggested that the presence of a Public Service Inspector in the Territory would result in more prompt decisions and in the Board being far better informed on conditions. We were told, too, that, in the absence of a local Public Service Inspector, a Promotion Appeals Committee did not function in the Northern Territory, with the result, that, unlike officers in other States, permanent officers stationed in the Northern Territory did not have an opportunity to appear personally before a Committee to support their claims. Sir William Dunk, Chairman of the Public Service Board, agreed that this placed Northern Territory officers at some disadvantage and said that if a Public Service Inspector were permanently stationed in the Northern Territory it would be likely that he would become Chairman of a Promotions Appeals Committee for the Territory. Q. 3370

216. The Department of Territories also supported the stationing of a Public Service Inspector in the Territory.

"COMMITTEE MEMBER. - Mr. Lambert, What advantages did you see that moved you to write as you did, that a Public Service Inspector ought to be appointed? --- (MR. LAMBERT) First, a Public Service Inspector could give his decisions at Darwin, and if he could discuss with our branch of the Administration up there points that he wanted clarified when matters were sent to him, that could be done without any delay. Secondly, the Board must have on the spot a man who could keep his eye on the general activities that were going on there, and could watch for soft spots in clashes of functions, or passive resistance on the part of any department that might be carrying out functions for the Administration. He could be brought into consultation straight away. Thirdly, he could do a certain amount of local investigation into organisation and methods.

Qs. 4270 & 4275.

.....

COMMITTEE MEMBER. - I gathered that you said that the present system did lead to undue delays, and that those delays might be minimised, if not altogether avoided, if you had a Public Service Inspector on the spot? --- (MR. LAMBERT) I do not altogether know the period of the delays that have occurred because the inspector is (in Canberra). One possible cause of delay could be in the case when a matter was referred to the Public Service Inspector in Canberra, and before he was able to make up his mind he wanted to go and have a look at the conditions. Automatically, there could be a delay while he found time to get up there. There are delays that originate from the original presentation by the Administration itself. If the inspector were there he could see that straight away and straighten it out for them. I make that point because I do not want the Committee to get the impression that all delays are due to Canberra."

217. On the other hand, Sir William Dunk considered that the current arrangement under which periodical visits were made was sufficient to meet the needs of the Territory at the present time. The reasons given to us by Sir William for this view were essentially :-

Q. 4155

- (i) It would cost approximately £8,000 per annum to maintain a Public Service Inspector and staff in the Territory - but Sir William later agreed that this was neither the main objection nor a serious one.
- (ii) The Public Service Inspector would not be able to deal with the whole range of functions of the Board and specialist officers would still need to go to the Territory from time to time.
- (iii) The Board anticipated some difficulty in obtaining a suitable officer for the position at the salary which might be offered.
- (iv) While the Inspector would become thoroughly versed in his job in a local sense, there would be a danger of his becoming somewhat remote from and, therefore, somewhat uninformed on, current policies.

Qs. 4271, 4272.

In a statement submitted to Your Committee in April, 1957, the Public Service Board also said that it did not consider there was sufficient work load to warrant an Inspector in Darwin.

Exhibit No. 35/7, para. 11.

218. We discussed all these points of view with Sir William at some length but were not entirely convinced.

219. Many of the problems of administration in the Territory are different in nature and kind from those met elsewhere in the Commonwealth and they, therefore, require an approach rather less conventional than is satisfactory elsewhere. Your Committee are quite satisfied, on the evidence submitted to us, that the presence of a Public Service Inspector and staff in the Territory, with adequate powers, could make an effective contribution towards obtaining greater efficiency and better working conditions in those Commonwealth departments operating in the Northern Territory.

See also
para. 112.

220. We think that the Public Service Board might well review its present attitude in this matter.

PART II

B. Departments outside the control of the Northern Territory Administration.

CHAPTER III

The Works Department

(a) Functions

221. The functions of the Department of Works in the Northern Territory are three-fold. It is the construction authority for Commonwealth departments, is responsible for the maintenance and repair of Commonwealth buildings, roads and bridges, etc., and operates, on behalf of the Northern Territory Administration, the Electricity Supply, Water Supply and Sewerage undertakings, and the Darwin Cold Stores. Its activities are extensive and diverse; in 1955-56, the Department controlled expenditure for the Northern Territory totalling £3,917,233, which was approximately 10% of the expenditure controlled by the Department throughout Australia and the Australian Territories, including Papua and New Guinea.

Northern Territory Expenditure under the Control of
The Department of Works - 1955-56

Exhibit
No.35/33

	<u>Northern Territory Admin- istration</u>	<u>Other Departments (including Service Departments).</u>	<u>Total</u>
Capital Works and Services	2,166,214	545,748	2,711,962
Repairs and maintenance	178,927	503,892	682,819
Electricity Supply	282,976	-	282,976
Town Water Supplies	83,959	-	83,959
Maintenance of other Water Supplies, Stock routes, etc.	128,717	-	128,717
Cold Stores, Darwin	26,800	-	26,800
	<u>2,867,593</u>	<u>1,049,640</u>	<u>3,917,233</u>

This table indicates that the greater proportion of the expenditure is in connection with the operations of the Northern Territory Administration; the balance of the expenditure is spread over some twenty (20) other Commonwealth departments and authorities.

222. The staff employed by the Department of Works in the Northern Territory, as at 30th June, 1957, totalled 1,163.

33rd
Report of
the P.S.B.,
1956-57
Tabled
9th October,
1958
Appendix
C, page 22.

(b) The Works Programme.

223. Potential Earlier in this Report, when considering the Estimates of the Northern Territory Administration, Your Committee noted that the lack of works and design potential had been an important factor limiting the government programme of capital works and services in the Northern Territory in recent years and we expressed the opinion that the Department of Works estimates of potential in relation to the programme for the Northern Territory Administration had been optimistic; certainly a miscalculation of construction potential and design capacity appears to have been the main reason for the substantial under spending of the appropriation of £2,601,000 in 1956-57.

See paragraphs
157 - 172.

224. We discussed then some of the special factors which operated to limit the level of expenditure in 1956-57, such as (a) the slowing down in activity in the previous year, 1955-56, to avoid an overspending of the appropriation, (b) the reductions in the programme to comply with a decision of the Government and (c) the late approval to the programme for 1956-57. It is evident that the programme initially approved for the year, involving works-in-progress of £2,057,510 and new works of £271,000 with an estimated expenditure in 1956-57 of £1,800,000 was within the limits of the construction potential in the Territory at that time. But the revised programme, involving as it did an increase of £800,000 in the projected level of expenditure, exceeded these limits, although the Department of Works at the time the programme was determined may have considered that the potential existed. However, the Department went so far as to suggest that, had there not been an interruption of the programme in 1955-56 with a restriction of construction potential, the appropriation still might not have been fully spent because of design problems.

See paragraph
170.

Q.2400

"(MR. MAUNDER)..... The restrictions that we had to bring into operation (in 1955-56) did have the tendency to check the construction potential, but I would not have suggested that, without that, we could have relied on the trend of that expenditure curve \approx continuing beyond 1955-56 and into 1956-57, which would have resulted in the expenditure curve again approaching the appropriation. I do not think we can assume that that would have happened even if there had not been any check. We come to the stage there where this question of design potential begins to intrude into the picture, because we might say that we were living on our design fat up to then with the housing work and, particularly, the wharf. That having been exhausted, for future work, we were thrown back onto what we could turn out."

Q.2373

The Department of Works in Darwin is not able to handle all the design work and it receives assistance from the Brisbane Office of the Department. We were informed also that consulting engineers were now being employed on the survey and design of some roads in the area.

225. Mr. Maunder described the effect that the slowing down of the programme in 1955-56 had had upon the availability of labour for constructional work. Between 1st January, 1953, and 1st October, 1955, the number of employees of contractors engaged on Commonwealth work rose from 200 to 514. The variations from that date to June, 1957, are shown in the following table. Included are statistics relating to day-labour employees of the Department of Works, approximately 50% of whom would have been engaged on constructional work. Q.2359-2370

<u>Date</u>	<u>Contractors</u>	<u>Day-Labour</u>	<u>Total</u>	Qs.2359, 2367, 2403.
1/10/1955	514	659	1,173	
1/4/1956	371	605	976	
1/7/1956	325	644	969	
1/3/1957	301	782 *	1,083	

* 353 were employed in stores, work-shops and public utilities, etc.

226. Perhaps the most serious effect of the slow down was that many of the employees put off were lost to the Territory.

227. Performance. Your Committee considered in some detail a number of projects completed or commenced in the last five years in the Northern Territory including the Stokes Hill Wharf, Darwin, the reconstruction of the Fort Hill Wharf, Darwin, the proposed Court House at Katherine, a hostel at Alice Springs and extensions to the Darwin hospital. Our investigations showed that miscalculations of potential was not the only reason for the short fall in expenditure and we found many unsatisfactory features in the way these projects had been undertaken. In some cases work was done without the proper financial authority, long delays occurred both in the Department of Works and sponsoring Departments, and there was evidence of bad estimating and lack of co-operation between Departments. But we also found that the Department of Works in Darwin has had many problems to overcome such as shortage of trained staff and inefficient staff, delays in the submission of requirements and changes in plans by Departments, lack of tenderers for work and inadequate office accommodation and facilities.

228. An example of how a project can be delayed is the Katherine Court House project, the history of which, until April 1957, is shown in Appendix No. 9. First proposed in 1953, planning for the building had still not been completed when Your Committee visited Darwin in 1957. One reason for the delay in progress was the low priority initially accorded the project by the Administration. Your Committee inspected this building and, although its present deplorably dilapidated state would suggest that its replacement should have been accorded the highest priority we must mention in all fairness that its condition is little worse than that of other buildings in which people have had to work or live, in Darwin. Indeed, the large number of essential projects outstanding in relation to the limited finances and resources available have made, and is still making, the allocation of priorities in the Capital Works programme for the Northern Territory Administration a matter of extreme difficulty. We must record, however, that there was evidence of a disturbing lack of even minor maintenance of the existing Court House building and Your Committee find it difficult to understand why it had been allowed to reach and remain in its present state of disrepair without any apparent effort to rectify it.

229. While then, the performance of the works programme in the Territory in the post-war years has been far from satisfactory, the Northern Territory Branch of the Department of Works and the sponsoring departments concerned are not entirely to blame. Your

Committee consider that a major reason is the conditions which have obtained in the Territory during that period and which we have discussed in more detail above such as, the substandard accommodation, the administrative isolation, the shortages of staff, the lack of facilities, the retarded development and the unavailability of adequate potential. We note, too, that the performance of the Commonwealth works programme in more advanced areas of Australia has not always been satisfactory and that works programming procedures have had to be amended from time to time to overcome deficiencies. We also suspect that the nature of the problems being faced in the Territory may not have been fully appreciated by the authorities responsible for the overall control of the Commonwealth works programme.

See also paragraphs 235-237

230. Your Committee have no doubt that the situation in the Territory is improving. There is also evidence of a more positive approach towards works matters and of closer co-operation between the Department of Works and sponsoring departments. Prior to our Darwin sittings the Department instituted a series of monthly progress reports to sponsoring departments, and these have since been replaced by more detailed reports, based on co-ordination meetings held within the Department of Works each fortnight, which deal with both works-in-progress and projects in the design stage. Amongst other things the reports show the scope of the job, whether it is on contract of day labour, commencing date, due date for completion, progress to date and special comments.

231. We also record our view that, while the operations of the Department of Works in the Territory have not been without fault, criticisms have not always been justified. The Department, in essence, provides architectural and constructional services only; it cannot proceed with planning and design without instructions, nor can construction commence without the necessary financial authority from the sponsoring department. Changes in plans by, or the dilatoriness of, sponsoring departments can result in substantial delays, in wasted effort on the part of the Department of Works and can adversely affect the smooth execution of the works programme.

232. Stabilization The present constructional potential in the Territory has been developed with difficulty and at considerable expense in the face of such problems as lack of accommodation and facilities, a small population and distance from populated and industrialised centres. Mr. L.T.D. Richardson, Mayor of Darwin and a leading contractor engaged on Commonwealth work, told us of the steps he had been forced to take to build up and maintain an adequate work force.

"COMMITTEE MEMBER: Have you any difficulties about a labour force? --- (MR. RICHARDSON) No. I attribute my success in obtaining a labour force and holding it to the fact that I have a private hostel.

Q.3171

COMMITTEE MEMBER: What are the other most important things which help you to keep your men? Do you pay them bonuses? --- (MR. RICHARDSON) I find it impossible to keep a labour force unless I am prepared to give the men a considerable amount of overtime.

Q.3174

COMMITTEE MEMBER: Do you recruit locally? ---
(MR. RICHARDSON) No. I recruit mostly from
down below.

Qs. 3212,
3213,
3214 &
3209.

COMMITTEE MEMBER: You can get them to come
up by paying overtime and that sort of thing? ---
(MR. RICHARDSON) Yes, and fares.

COMMITTEE MEMBER: Do you pay fares both ways,
or only one way? --- (MR. RICHARDSON) One way.
We pay fares back after they have been here for
a certain time. You have to be careful there.
I know of a brother contractor here who brought
17 up by plane. He saw only one. As soon as
they got here, they moved into other fields.

COMMITTEE MEMBER: When you provide accommodation,
do you make deductions for board and lodging, and
keep? --- (MR. RICHARDSON) I am allowed by the aware
£2.15.0 a week deduction, but it costs me nearly
£6 to keep them. My foreman and leading hands, once
they are lifted to any position like that, go onto
free board. They are encouraged that way. As I said before,
it is very hard to keep good labour here."

233. The need to avoid major fluctuations in the level
of the Commonwealth's demands for capital works in the
Territory so that the potential might be maintained was strongly
put to us by both private persons and departmental representatives:
the adverse effects of the 1955-56 slow-down, which is reflected
in employment figures, were repeatedly drawn to our notice.
Mr. Richardson, for one, suggested that there should be a programme
for three years ahead.

See paragraph
225.

"COMMITTEE MEMBER. - We have examined a graph*
dealing with government expenditure and production.
There are many peaks and gullies. Would that
detract from the economic stability of the Territory? ---
(MR. RICHARDSON) All the year through, a contractor
lives in a state of insecurity because there is no
foreseeable government plan. I think there should
be a government plan for three years ahead. I am
expected at times to reduce or increase my tempo.
Last December, I had to put off twenty-seven
skilled tradesmen, and most of them were lost to the
Territory. We cannot afford to lose them, because
it is difficult to get them here."

Q.3175

234. Your Committee suggest that, since the circumstances
in the Northern Territory are different from those of the other
States and, to a lesser degree, from those of the Australian Capital
Territory, a different approach to works programming may be
warranted. Commonwealth works in the States are marginal and
play a very secondary role to capital expenditure in the private
sphere and by state and semi-governmental bodies, whereas the
Commonwealth's programme in the Northern Territory constitutes the
major part of the expenditure on capital projects. Accordingly,
variations in that programme can have a far greater effect upon
the general level of activity and upon the availability of
constructural resources than do fluctuations in the Commonwealth
programme in other States.

* See Appendix No. 6.

235. When discussing this subject in Canberra in March of this year one witness suggested that the maintenance of potential might be more a matter of programme management by the Department of Works rather than a long term programme of expenditure. We agree that execution of the annual programme by the Department of Works and sponsoring departments in a manner which will provide for an orderly flow of work is important but we do not consider that view point gives the full answer or sufficiently recognises the special problems of the Territory. We consider as more realistic the point of view put forward by the Secretary, Department of Territories :-

Q.4467

"(MR. LAMBERT) The crux of this problem is not so much in a long-term programme but in the point that Mr. Cope raised. The Administration is building up what it calls a 'needs programme' which covers the things that they can see will be needed for the next few years. From that 'needs programme' they can devise their current works programme, having regard to the works potential likely to be available on the advice of the Works Department. Accordingly, they seek money from the Executive of the Commonwealth for that purpose. The problem of getting on with work before September has been overcome. We now have an arrangement under which we can peel off part of the works programme and ask for money from the Treasury in advance of the passing of the Budget. But one cannot escape the fact that the Administration is subject to the vicissitudes of Budgets with an annual appropriation. I do not think that any Government can commit itself or its successors to underwrite a programme in terms of money. I think it is important that the Executive of the Commonwealth should realize that if, because of the vicissitudes of economic circumstances or budgets, it is necessary to make some violent changes in the total amount of funds available for works throughout the Commonwealth, the impact of changes in the Northern Territory is felt far more severely than in any other part of Australia. This is because in the capital cities and throughout the States the shock of a sudden drop in the amount of money available for Commonwealth works can be offset, to some extent, by the capacity of contractors to pick up work in the private sector of the economy. In Darwin, in its present state of development, there is not a great deal of private sector work and the contractors who have been attracted there depend very largely on Government work. Fluctuations in expenditure result in contractors becoming jittery and they try to write off against the current programme as much of their capital expenditure as they can in case of a cut in Government expenditure. I think that the answer is for the Executive to recognize these facts and try to avoid too many violent fluctuations in the level of moneys made available for works in developing new territories such as the Northern Territory."

Q.4467

236. The Treasury informed us that capital works provisions for the Territory were considered on the basis of separate departments and not as a whole.

Q.4470

"COMMITTEE MEMBER. - In making provision for capital works expenditure in the Territory, is consideration given on the basis of all Departments or is it on the basis of separate departments which may operate in the Territory? ---(MR. WARK) It is done separately. Mr. Lambert has two divisions - Division 61 (1) and (2). The Department of Works and the Department of Health are separate. In addition, there are minor works elements for other Civil Departments. The Audit Office, for example, might have a very small amount of money to spend in the Territory. The Post Office would also have some. We are, nevertheless, conscious of the total amount of money going into the Territory. If programming were purely a matter of building and design potential, the Works Department's representative, who is present at the discussions would say, having regard to all the divisions involved, what the capacity was. On the other hand, it might be entirely a matter of money. The Government might say, 'Divide this £18,000,000 cash among the forty odd divisions concerned' ^x and we would have to do the best we could with it. On the other hand, the programming task might be a combination of both cash and capacity problems."

237. Your Committee suggest that the current procedures for determining the Commonwealth Works programme are not suited to the needs of the Northern Territory and it may be necessary to develop special techniques for that area. It seems desirable that works on the programme for the Territory be considered as a whole - not on the basis of separate departments - and that the overall programme have regard to the potential available. As a means of maintaining and developing potential, of stabilising the construction industry, and, in all probability, of reducing the cost of Commonwealth projects in the area, a long term and orderly flow of money for capital works in the Territory has much to commend it.

x This would represent the annual civil works programme.

CHAPTER IV.

THE DEPARTMENT OF HEALTH

238. The Commonwealth Department of Health is responsible for the public health and medical services of the Northern Territory; a Division of that Department is established in the Territory under the control of a Director of Health. The main office of the Division is at Darwin.

239. The Division is responsible for much more than are those Divisions of the Department operating in the States. In addition to the health functions normally exercised by the Department on a Commonwealth-wide basis within the limits of Section 51 of the Constitution, the Northern Territory Division maintains hospitals, medical clinics, road and air ambulances, and provides an infant welfare service, a school medical service and many other health services throughout the Territory. The Director, however, saw as the Department's chief function in the Territory "the prevention of the introduction of tropical diseases into the Territory, the control of such diseases as are there and the control of any diseases that may be introduced in the future."

Journal of the Commonwealth Department of Health, December, 1957 Volume 7, No. 4, page 100.
Q.3958

240. Hospitals are maintained in the four main centres of population, Darwin, Alice Springs, Katherine and Tennant Creek. The capacity of these hospitals is as follows :-

	<u>Darwin</u>	<u>Alice Springs</u>	<u>Katherine</u>	<u>Tennant Creek</u>	Health Journal Op.cit. page 105.
No. of beds	190	117	27	34	
Daily average No. of inpatients	128	78	18	14	
No. of out-patients monthly	3,000	3,000	650	750	

A small hospital has been established at Batchelor to provide medical services for the mining community at Rum Jungle. The hospital building is owned by Territory Enterprises Pty. Ltd., but is staffed and equipped by the Department. Another small hospital is maintained at the Bagot Aboriginal Reserve, 5 miles from Darwin, as an auxiliary to the Darwin hospital.

241. In the view of the Director of Health, hospital facilities in the Territory are quite satisfactory. He considers the present Darwin hospital will adequately meet needs for at least another five years.

Q.3974

242. The Aerial Medical Service is another important activity; in 1956-57, 128,000 miles were flown and 520 patients carried to hospital for treatment. For the more remote areas a regular monthly health service is maintained as well as the emergency service, and a dental service is provided each quarter. The Department owns three aircraft which are operated and maintained under contract by Trans Australian Airlines.

Health Journal Op.cit. page 112
Qs.4023-4025, 4034

243. The new leprosarium, completed in 1955 and situated 12 miles from Darwin in the Quarantine Reserve, is an interesting example of co-operative endeavour.

"COMMITTEE MEMB R. - Will you tell us something about it? --- (DR. HUMPHRY) The present Leprosarium is a comparatively new place. It has only been occupied

Qs.3970 & 3974

in the last two years. The government provided the finance to build the place. The Roman Catholic Church provides the staff, inasmuch as it supplied seven nuns, four of whom are nurses, one of whom is a teacher, one of whom is a cook, and one of whom looks after the general well-being of the nuns themselves. We supply the superintendent, the assistant superintendent and the doctor, and we provide all the finance for the general running of the place. In fact, it is a Commonwealth owned and run institution, except that the nuns actually care for the patients.

COMMITTEE MEMBER.- I understand that they give you great assistance? --- (DR. HUMPHRY) There is no question about that. It would be very difficult to run the establishment at all without them."

244. The staff of the Northern Territory Division was reported in the December, 1957, issue of the Journal of the Department, to be 393, made up of medical staff, 149 including 22 doctors, 9 dentists and 118 nurses; technical staff (Physio-therapists, Bio-Chemists, etc.) 22, Administrative staff 82 and Industrial staff (domestics, wardsmen, etc.) 140. This Department has also suffered from a high turnover of staff, particularly amongst technical and professional officers and has also had difficulty in recruiting permanent officers.

Op. cit.
page 121.

"COMMITTEE MEMBER. - What is the term of appointment of a general practitioner here? --- (DR. HUMPHRY) He is not actually appointed for any particular term. As a general rule, we do not expect to hold him for more than 2 years.

Qs.3978,
3980, 3982 and
3983

COMMITTEE MEMBER. - Can you give the Committee some idea of the average period for which these doctors are prepared to stay in the Northern Territory? --- (DR. HUMPHRY) I think most of them will stay at least 12 months. A number of them stay 2 years. A number of them stay for many years. I would say the average would be about a year.

COMMITTEE MEMBER. - Is there any reason why they want to leave the Territory after such a short time? --- (DR. HUMPHRY) Yes. Most of them are comparatively young men who have just passed their examinations or who have just done a small amount of practice. They come up here because they feel that they can save enough money to get a general practice. That is their whole idea. They do not come to stay in Darwin.

COMMITTEE MEMBER. - Do you not think that that affects the efficiency of the Department of Health in the Northern Territory? --- (DR. HUMPHRY) It does to some extent. The constant turn-over must affect it."

245. No great difficulty has been experienced in obtaining nursing staff, particularly during the winter season, although the turnover is still high. One factor may be that nursing staff are eligible for a fares concession for leave purposes annually, unlike other public servants in the area whose eligibility is on a two yearly basis. Another factor may be the standard of accommodation offered.

Q.3987

"COMMITTEE MEMBER. - Have you good accommodation for nurses? --- (DR. HUMPHRY) Yes, we have excellent accommodation in Darwin. Q.3988

COMMITTEE MEMBER. - Have you good accommodation for the doctors? --- (DR. HUMPHRY) Not at the moment." Q.3989

246. The Director of Health is responsible to the Director-General of Health in Canberra and not to the Administration, although he has certain powers conferred upon him as Chief Medical Officer by various Northern Territory Ordinances. So we asked Dr. Humphry for an opinion whether it might be better if the health services for the Territory were more directly associated with the Northern Territory Administration . -

"(DR. HUMPHRY) My opinion, and, I suppose, the opinion of my own Department, is that health functions in the Northern Territory should remain with the Commonwealth Department of Health until - this is my opinion - the Territory has developed into something approaching a State. ... Within the Department of Health, we have a large number of experts in various fields who are immediately available if I require them. I have immediate access to them if I ever want them when a problem arises. ... I feel that if the health functions in the Northern Territory were handled now by the Department of Territories these things would not be so readily available and there would be certain disadvantages in medical problems if they were under the control of lay personnel. It is better that I can make an immediate approach to the Director-General of Health, who is himself a doctor, and who can appreciate any problem immediately I place it before him. There are other reasons. I think that we can probably recruit doctors more readily for the Northern Territory than the Department of Territories could. Doctors usually come to the Northern Territory for a short term." Q.3958.

The views of the Secretary, Department of Territories, Mr. Lambert, are somewhat similar.

"(MR. LAMBERT). It is governed by many considerations, chief among which is a consideration of whether, if you took it over, you could command the resources. There is a feeling that you can recruit doctors and other health officers to the Northern Territory more easily if they are part of the whole Commonwealth health organisation. It would not be as easy if you had a single health department and their whole career was to be served in the Northern Territory. Qs. 246 and 249.

COMMITTEE MEMBER. - Am I correct in thinking that the present system, desirable or undesirable as it may be, exists because of the limitation of resources, or the non-availability of resources, or the doubt whether they are available, rather than as a matter of determined policy? --- (MR. LAMBERT) That is so."

247. Relations between the Department of Health and the Administration appear to be good and it has successfully combined with the Welfare Branch to provide medical and hospital services on aboriginal settlements.

"COMMITTEE MEMBER. - Can we discuss for a moment the question of health arrangements on the aboriginal settlements? What is the position there? Are you completely responsible for administering the health facilities on those settlements, or is it a responsibility of the Welfare Branch? --- (DR. HUMPHRY) I suppose you would call it a joint responsibility. From the purely health point of view, it is entirely a matter for the Department of Health. The situation on the Welfare settlements is that Welfare builds the hospital and equips it and provides a sister. This sister is under the control of the Settlement Superintendent as far as discipline and general management are concerned. She is entirely responsible to my medical officers from the point of view of treating patients. Qs. 3997 3998 & 4005.

COMMITTEE MEMBER. - You are not responsible for finance in any way? --- (DR. HUMPHRY) No.

COMMITTEE MEMBER. - Are you quite satisfied with the existing arrangements? --- (DR. HUMPHRY) Yes, I personally am. I think it works extremely well. It is really divided control, but from the point of view of the sick people in these places it works extremely well. The doctor-sister relationship is one that grows up almost entirely through training. There is never any dispute that the doctor is in charge so far as treatment is concerned. Our relationship with the Welfare Branch is extremely good and we have no difficulty whatsoever."

248. Although the Administration and the Northern Territory Division of the Department of Health are both engaged in administration of the government in the Northern Territory, they pursue their separate ways under the control of different Federal Ministers and Departments. The consensus of opinion is that this situation should prevail for the time being; the constitutional and administrative development in the Territory will ultimately determine when or whether it is appropriate to establish an autonomous Department of Health, controlled from the Territory, to deal with health matters. Certainly, while the existing pattern of executive responsibility remains, of an Administration controlled by a Department in Canberra, Your Committee can see the merit in the Health Branch of the Northern Territory remaining within the Commonwealth Department of Health.

CHAPTER V

THE No. 5 AIRFIELD CONSTRUCTION SQUADRON

249. While in Darwin, Your Committee inspected the new runway being constructed at the Darwin airport by the No. 5 Airfield Construction Squadron (No. 5 A.C.S.) of the Royal Australian Air Force and we discussed the operations of the Squadron with Group Captain W.A.C. Dale C.B.E., D.S.O., and Wing Commander (now Group Captain) A.M.L. Harrison C.B.E.

250. Your Committee were interested - firstly, in the relationship between the Department of Works and the Squadron, secondly, in the Darwin Airport project and, lastly, in work done by the Squadron at the Humpty Doo Rice project for a private organisation, Territory Rice Ltd.

251. No. 5 A.C.S. is one of two construction squadrons with the R.A.A.F.; the other No. 2, was then in Malaya. Q.4070

"COMMITTEE MEMBER. - What is the purpose of the squadrons? --- (GROUP CAPTAIN DALE) The air construction squadrons form a very necessary part of the Order of Battle. They are required in war-time to repair air fields damaged by enemy action, carry out extensions to air fields, and construct new ones. They must be trained in peace-time to fulfil their wartime role, which is not exactly the same as civil construction, because the accent is on speed of construction. We maintain only two air construction squadrons in peace-time. That is enough to provide the necessary training ground and to establish the techniques. We employ them in peace-time in such a way as to give them the best training possible for their war-time role, and we try to get value for the money expended at the same time. They are not here primarily to construct air-fields, but to train for war purposes. In conjunction with the Department of Works, we employ them on various major air-field projects - usually in remote areas where it is difficult to get civilian organisations to work. ... Qs.4072 4074

COMMITTEE MEMBER. - The object is, that when the necessity arises you will have personnel well versed in the constructions of air-fields who can be dispersed to form additional squadrons in wartime? --- (GROUP CAPTAIN DALE) Yes.

COMMITTEE MEMBER:- What is the authority for that? --- (GROUP CAPTAIN DALE) Cabinet approval, and the Air Force Act."

Since it was established in 1941 the Squadron has undertaken a variety of projects. In the post war period it has operated in Japan, where it constructed two air fields, approximately 450 houses and water and power installations and carried out repairs and general engineering work. It then constructed air bases and roads at Woomera and later built a jet fighter runway and taxiway at Williamstown in New South Wales. As a preliminary to the Darwin project it build 30 houses for its personnel. Q.4130 Q.4136

252. The Squadron's relationship to the Department of Works is that of a contractor. The Department of Works designs the projects and has an overriding responsibility of supervision; it also supplies structural materials while the Squadron provides and maintains the labour force and the necessary equipment. Two estimates of projects are prepared, that by the Department of Works, showing the estimated cost of the project if undertaken by agencies other than the Squadron (e.g. by private contractor) and a second and composite estimate based on cost of materials to be provided by the Department of Works and the cost of operations by the Squadron (including maintenance).

Q.4089

Q.4100
4101

253. The Darwin Airport. The new runway at the Darwin airport is a substantial engineering project.

"COMMITTEE MEMBER. - Can you give us the length, width and depth of the runway? --- (W/G HARRISON)
The length of the runway is 11,000 feet and it is 200 feet in width. At each end of the runway, there is an additional 1,000 feet over-run that will take aircraft if they undershoot or over-run on landing. The depth varies slightly but, generally, it is 38" deep. It comprises layers of variously treated materials, and finally it has a bituminous concrete seal on the surface. The taxi-ways are 75' in width and 2" greater in depth because of the higher stress with the slow moving aircraft."

Q.4091

Work on the project commenced on 1st June 1955 and it was originally planned to complete it by December, 1957. However, the job is well behind schedule and the present estimated date of completion is March 1959. In a memorandum to the Committee dated 1st May, 1958, the Department of Air has explained the delay as follows :-

- "(a) Additional scope of work.
- (b) Shortage of manpower.
- (c) Unexpected difficulties in crushing rock which is hard and abrasive quartzite and causes undue wear to machinery. On opening up the quarry face bands of clay and schist were encountered making working difficult during the wet season.
- (d) Delays in supply of spares for construction equipment."

254. Since February 1955, there have been three major changes in the scope of the project, one in March 1956, another in October 1956 and a third more recently; these help to account for the substantial rises in the estimated cost of the job since it commenced. In the following table Estimate No. 1. is the estimated cost of the project, using No. 5 A.C.S. for the job; No. 2 shows the estimated cost of the work if done by other agencies.

<u>Date</u>	<u>Estimate No. 1</u> <u>£</u>	<u>Date</u>	<u>Estimate No. 2</u> <u>£</u>
24. 2.1955	2,070,000	9. 6.1955	2,479,000
8. 3.1956	2,366,000	24. 4.1956	2,933,000
21. 5.1957	2,932,000	12. 6.1957	3,950,000
28. 2.1958	3,132,000	28. 2.1958	4,310,000

Details of Estimate No. 1 appear in Appendix No. 10. These estimates were submitted to Your Committee in support of the view of the Department of Air that the cost of the project would compare favourably with what it would be were the project being carried out by a private contractor and we were given reasons why that should be the case. Q.4134

"COMMITTEE MEMBER. - How does the cost of the work on the airfield compare with the cost of work done by outside organisations? --- (GROUP CAPTAIN DALE) We expect to carry out the work at a substantially lower figure than it can be done by contractors. The reason is that we do not have the establishment cost than a contractor would have. Our men go straight into war time quarters. Married quarters are not established as a contractor would have to do. We expect to do the job rather more cheaply than an outside contractor.. (W/C HARRISON) Another important factor is that we do not have to pay penalty rates. We can work on a seven day week basis and we do. Where an airman has worked beyond 40 hours, he is credited with that time as leave." Q.4090

255. However, that view of the Department is an expectation only and has not been fully substantiated. The projects of the Squadron are not costed, although certain statistical records are maintained, and, usually, the actual cost of a project is not obtained.

"COMMITTEE MEMBER. - ... Do you cost individual jobs? (W/C HARRISON)..... We keep cost records. Those records are forwarded to the Statistical Officer, Department of Air. I do not see the end result of that here, but the information is sufficient for them to maintain units costing. For my own benefit here, I do keep a check, which is not an official one, of costs compared with the estimates made by the Department of Works and the current ruling costs in this area. They are invariably cheaper for the reasons I have mentioned earlier. Qs.4100-4103.

COMMITTEE MEMBER. - It would be correct to say, then, that individual jobs are costed? The information goes to your statistical officer, and from his you get an overall comparison of similar activities? --- (W/C HARRISON) He is in a position to assess that comparison.

COMMITTEE MEMBER. - That would include the progressive costs? They would be brought together in the terms of progressive costs at various stages? --- (W/C HARRISON) I am not aware of how they are interpolated. (G/C DALE) Let us say rather that we keep records from which the cost can be extracted if necessary. There is a lot of work involved in transforming those records to pounds, shillings and pence, and we do not do that unless there is some particular reason. At Woomera, we were being reimbursed by the Department of Supply, so we kept very accurate costs." More recent advice (1st May, 1958) received from the Department of Air on this subject is

" Works carried out by the Airfield Construction Squadron are not costed in detail but are estimated on the following basis :-

- (a) Maintenance of Squadrons - The man-power actually employed on the project at an average figure of 21,200 p.a., which covers pay, allowances, rations, personal and barracks equipment, fares, accommodation and miscellaneous costs. The personnel actually employed on the Darwin Airfield project varied from 84 for a short period of 320 (all ranks).
- (b) Construction costs - Materials are based on Works Departments advices whilst the plant and machinery costs are based on the actual hours run by construction equipment and miles travelled by vehicles as recorded for every item of equipment. The appropriate Department of Works Standard Plant Hire rates are applied to reduce these to terms of money.
- (c) Issues of fuel and lubricants - These are recorded and priced. "

Expenditure on the project to 28th February, 1958 is estimated by the Department to be £2,001,615. The Squadron is subject to the normal accounting procedures of the Department of Air.

256. The Humpty Doo Rice Project. While in the Northern Territory Your Committee inspected the rice project of Territory Rice Ltd. at Humpty Doo and discussed with the representatives of the Department of Air certain work done by the Squadron on that project.

"COMMITTEE MEMBER. - Can you tell me what work the R.A.A.F. undertook for Territory Rice, and what was the cost? --- (G/C. DALE) The work undertaken consisted of an earth dam, assistance in the construction of a light aircraft landing field, and assistance in the construction of roads.

Qs.4075
4077 and
4078

COMMITTEE MEMBER. - What was the actual cost? --- (W/C. HARRISON) £24,294. *

COMMITTEE MEMBER. - What authority was actually given to undertake the work, and when was it given? --- (G/C. DALE) Authority was given by the Minister for Air on the 8th November and sent by signal on 15th November. Authority was telephoned through prior to that from the Department of Air".

The work was commenced on 17th November 1956, and after delays was finally completed on 3rd May, 1957.

* Subsequently increased by £1,659 to £25,953.

"COMMITTEE MEMBER. - So that there was about six months work? --- (W/C. HARRISON) Yes, but for a large proportion of that time the plant was idle. The bulk of the work was actually done in the November-December-January period. Due to the heavy rains very little work was done in the latter part," Q.4081

An account for the work was submitted to the company on 20th May, 1957; payment was made over a period, the last amount being received on 18th March, 1959. Fortnightly claims will be rendered for any further work undertaken for the company by the Squadron.

257. Conclusions. Your Committee's consideration of the activities of No. 5 Air field Construction Squadron in Darwin was not, nor was it intended to be, a complete examination; we may wish to undertake a full enquiry into this form of government activity at some future time. Be that as it may, in the course of our brief inquiry Your Committee did notice certain things which we consider might, with advantage, be examined at a departmental level. We mention the absence of a detailed costing of the activities of these squadrons. We appreciate that the primary purpose of the squadrons' existence in peace-time is training and that the emphasis is on speed of operation: this does not necessarily justify the departure from what may be regarded as normal accounting practices for construction enterprises the introduction of which might prove to be a substantial aid in the maintenance of efficiency. We found, too, that, prior to July 1957, * there were no orders relating to the custody and accounting of constructional materials provided by the Department of Works. Q.4072

"(W/C. HARRISON) There has not been any Air Force order in relation to the custody and accounting for construction materials, but Group Captain Dale has brought one up to us now * ... That has not been included, because in the past it has been assumed by us - and I think correctly - that these materials were the property of the Department of Works in our custody. As an illustration of the reason for our arriving at that conclusion, on past jobs, the Department of Works has taken from our store areas construction materials, and allotted them to other contractors. Therefore, they were naturally responsible for the accounting. But this order will make the situation much clearer, and will give us a measure of responsibility in the safeguarding of and the accounting for this construction material." Q.4110

258. Group Captain Dale informed Your Committee that the Squadron had at least ten years of essential work in sight and this adds force to our opinion that these matters of costing and control should be made the subject of an early examination by the Department of Air in conjunction, we suggest, with the Departments of Treasury and Works.

* The new order Air Board Order E19/1 was formally formulated on 7th October, 1957.

PART II

C - ACTIVITIES UNDER THE CONTROL OF THE
NORTHERN TERRITORY ADMINISTRATION.

CHAPTER VI - INTRODUCTORY

254. Your Committee also discussed in Darwin, with many of the heads of Branches of the Administration, particular aspects of the operations of their Branches and the steps which were being taken to meet the strong criticism made in successive reports of the Auditor-General of the lack of proper accounting and control in many sectors of the Administration's activities.

260. Your Committee are quite satisfied that in the postwar years a serious situation has existed, and to a lesser degree, still exists in the Northern Territory Administration. Indeed, we have already recorded the views of persons that the Administration has not been able to discharge its functions efficiently. We do not consider, however, that the blame for this serious state of affairs should lie with the Administration or the staff to any large extent; it has been a product of the lack of staff, both in quantity and quality, the poor living and working conditions and the general lack of facilities in the Territory - all legacies stemming from the inadequate attention accorded to the needs of the Territory in the pre-war years, the dislocation caused by the war and the slow recovery in the post-war era. Ses paras. 181-183.

261. While a satisfactory standard of accounting and control has not yet been achieved, improvements are being effected: we quote from the report of the Auditor-General for the year ending 30th June, 1957. -

" At paragraph 93 of my Report for the year 1955-56 reference was made to several unsatisfactory features in the accounting of the Northern Territory Administration.

Hostels, stores and equipment, electricity undertakings, Beswick Cattle Station, internal check and the general accounting organization were mentioned particularly.

The Department of Territories and the Administration are continuing to take action to remedy the defects in accounting referred to in my Report and, as a result, general improvement was noticed during 1956-57.

Nevertheless, there is still a lot to be done, and the difficulties associated with recruiting and holding suitable staff will have to be overcome before the standard of accounting, essential for the safeguarding of public moneys and stores may be achieved throughout the Territory."

Auditor-General's Report, Tabled 4th September, 1957, page 55.

At the hearings in Canberra in March 1958, when discussing with Mr. V.J.W. Skermer, Secretary and Chief Inspector of the Audit Office, the delay by the Administration in submitting certain financial statements, he made the following comments :-

See also paragraphs 279-281.

"(MR. SKERMER) Generally speaking, we are much happier with the position there. A general improvement is taking place in the accounts of the business undertakings but the position cannot yet be regarded as entirely satisfactory.

Qs.4415
4416 and
4418

COMMITTEE MEMBER. - Is that the fault of the section at Darwin or does any fault lie with the Department here? --- (MR. SKERMER) I would say that it is a local problem. They have a big job to put all these things in order and at the moment we are seeing progressive improvement. I should say that they will gradually overcome these problems and meet our various observations.

COMMITTEE MEMBER. - The staff is the problem?
--- (MR. SKERMER) Yes."

Mr. Lambert, Secretary, Department of Territories said this on the subject :-

"(MR. LAMBERT) Perhaps we should not overlook the fact that the Darwin Administration has been hard up against it to get staff for years. It is not neglect. It is not lack of intention. In my opinion, it is lack of staff which has prevented the Darwin Administration from being able to carry out this work to the satisfaction of the Auditor-General."

Q.4418A

262. We discussed with the Departments of Territories and the Treasury whether special assistance could be given to the Administration to help remedy some of the deficiencies to which the Auditor-General had drawn attention.

"COMMITTEE MEMBER. - Would it be possible for competent staff to be sent from Canberra to Darwin for two or three months, soon after the end of June in order to assist in this work? Once these accounts get behind to the extent of 8 or 9 months it is hard to pick up the work in the following year? --- (MR. LAMBERT) I have given all the assistance that I can from the limited resources that I have. I have obtained some assistance from the Public Service Board and other Departments. But the extent to which I can get special teams to handle this work depends on what other departments are prepared to give me, through the efforts of the Public Service Board.

Qs.4419,
4420,
4426 and
4428.

COMMITTEE MEMBER. - Would it be possible, Mr. Hewitt, to provide people from the Treasury, in circumstances such as you strike here? --- (MR. HEWITT) I wish it were, but I could do with a dozen of them myself in my own office here.

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(MR. HEWITT) I think that there is a dearth of people in the Public Service with skills in this field. It is not an easy matter to find them. I speak from first-hand experience, through having been endeavouring myself to recruit officers with this background of professional training. I am finding it extremely difficult to do so.

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COMMITTEE MEMBER. - To what do you attribute the reason? --- (MR. HEWITT) It is the same as in other fields. There has been an enormous expansion of the Australian economy in the last ten years, and the demands placed on people with various types of skill are far in excess of the number of people there are to fill the positions that exist."

263. That then is the situation: it cannot be regarded as other than unsatisfactory and the Public Service Board has told us that it may be some years before a reasonable level of stability and efficiency is reached. Certainly the Administration suffers so many handicaps in the competition to attract and hold staff of quality that, without a great deal of positive action to offset those handicaps, the quality of government in the Northern Territory, involving the execution of many important functions, will remain below proper standards.

See para.
181.

264. Having said all this Your Committee wish, in the succeeding Chapters of this section of the Report to consider some of the activities of the Administration, to discuss in more detail the criticisms of the Auditor-General and to comment upon the steps that have been taken to meet them.

CHAPTER VII

ACCOUNTING AND INTERNAL AUDIT

265. Accounting. The accounting function is a responsibility of the Administrative Branch of the Northern Territory Administration.

266. Following the Auditor-General's strong criticism in his report for the year ending 30th June, 1955, of accounting practices in the Administration, an officer of the Public Service Board conducted an investigation into accounting organisation and methods. The Auditor-General reported this officer's findings as follows :-

- "(a) methods and systems have become outdated and the functions of some sections need review;
- (b) the elimination of unnecessary records, the review of methods, and the re-organization of sections would result in increased efficiency and a considerable reduction in staff;
- (c) the transfer to the Accounts Branch of all work of an accounting nature would increase efficiency and enable further reduction in staff to be effected.
- (d) the production of a manual of Accounts Instructions should be undertaken as soon as possible;
- (e) the introduction of a formal staff training scheme would result in increased efficiency."

Auditor-General's Report, for year ended 30th June, 1956, page 55.

Action has been taken to give effect to these findings. The Finance Section has been re-organized, a manual of accounts instructions has been completed and distributed and advances have been made in staff training. With a few exceptions all accounting and costing activities have now been centralized in the Finance Section, the exceptions being :-

- (a) Meter reading and billing for water supply and electricity;
- (b) Accounting for Lands Branch rentals;
- (c) Accounting for Mines Branch rentals.

Exhibit No.35/69, page 1.

The transfer of these activities has been deferred until the delivery and installation of new accounting machines, at present on order.

267. Internal Audit. In his report to the Parliament on the accounts for the year ending 30th June, 1955, the Auditor-General criticized the lack of internal check in certain branches of the Northern Territory Administration.

" In certain branches of the Northern Territory Administrative Division adequate systems of financial control are non-existent; internal check positions have not been filled and appropriate subsidiary accounting instructions have not been introduced. Positions for internal audit personnel have been created, but efforts by the Division to recruit and hold officers in them have so far been unsuccessful".

Auditor-General's Report for the year ended 30th June, 1955.

The following year, the Auditor-General noted that some improvements had been made but that progress had been retarded by difficulties in staff recruitment. In the report for the twelve months ended 30th June, 1957, the following comment appeared. -

"Internal Control and Check

The Administration continued to improve the effectiveness of the internal control and check over financial and stores transactions during the year.

Auditor-General's Report for year ended 30th June 1957. page 56.

Preparation of a Manual of Accounts Instructions has been commenced and sections are being issued progressively as they are completed.

Approval has been obtained for the establishment of an Internal Audit Section but to date the Section has not functioned owing to difficulty in recruiting experienced staff and to appointees being transferred to act in positions of higher classifications in other Branches."

268. A schedule of permanent positions in the Administration submitted to Your Committee during the Darwin sittings showed an Internal Audit Section of four positions, three of which were then occupied. However, we subsequently established that not one of these persons was then engaged on Internal Audit work.

"COMMITTEE MEMBER: Would Mr. Murphy give the Committee now some information on the internal Audit Branch? --- (MR. MURPHY) The position is that right up to the moment we have not an Internal Audit Section functioning as such. A Senior Internal Auditor was appointed last October. The vacancies in the Internal Audit Branch include a senior internal auditor, an assistant internal auditor, and two clerks - at one above the base grade. In October last, the only one actually holding a job was the assistant internal auditor, and he was not in the section but was acting in a higher capacity in another job. The senior internal auditor was appointed in October, but within a couple of weeks of the appointment, we had to make him acting accountant until the accountant's position was filled. The accountant's position was advertised, the senior internal auditor appealed against the appointment, and his appeal was successful. That was early in May. The senior internal auditor's position had to be advertised again. It was advertised and we finalized it about a fortnight ago. Last week the recommendation was made.

Q.1434

In the meantime, two clerks - at one above the base grade - had been advised, recommendations were made and the positions were filled. One clerk took up his position about a month ago, and the other took up duty this morning. The assistant internal auditor is still acting as estimates officer until that position is filled. A recommendation has been made and will be gazetted next week. So the two base grade clerks are of little use in the Audit Section until we have someone to control them. The sub-accountant's position was filled a month ago. There was a hand over period of two or three weeks and the senior relief clerk, who was acting as sub-accountant, is in fact taking up duties acting as senior internal auditor. The position is that we have no audit programme drawn up, we have not had a senior internal auditor for some time, and until we have someone to draw up

the programme and say that this is the programme to which we must work, we cannot operate effectively. As from this week, we will be working on a partial basis with an acting senior internal auditor until we have somebody qualified and with sufficient audit experience to set out the whole programme. We will have only a partial section until a senior internal auditor is appointed."

We were also told some months would elapse before the senior position in the section could be properly filled.

"COMMITTEE MEMBER: Mr. Murphy, will you elaborate a little more on the question of internal Audit? ---- (MR. MURPHY) The Internal Audit Section cannot be complete until such time as the job of Senior Internal Auditor is filled.

Qs.1436-
1439.

COMMITTEE MEMBER: How soon is that likely to be? Is the position this: the funds are available, and all you want is an officer? ---- (MR. MURPHY) Yes, but, taking the normal procedure, it would be approximately 3 months before a man would be appointed.

COMMITTEE MEMBER: Three months from now? ---- (MR. MURPHY) Yes. I made my recommendation early last week. Under normal procedure, it would be approximately a fortnight before that would be gazetted. The gazettal always allows three weeks for appeals. It is open for three weeks for appeals. Having closed, if there are no appeals, departments can retain an officer for up to six weeks after the confirmation. So that would be eleven weeks all told. If there were appeals it could be any time up to three or four months after that. Without appeals it will be approximately three months from now.

COMMITTEE MEMBER The optimum time between the decision to fill a position and the time when the appointee arrives is three months. Is there no way of shortening that time if appeals occur? ---- (MR. McDONNELL) That is the time if no appeals occur".

Your Committee later received from the Administration a document showing the fruitless efforts made over a period of months in 1956 to obtain a suitable officer for the position of Senior Internal Auditor. This document appears as Appendix No.11. A senior internal auditor finally took up duty on 9th January, 1958, and a continuous programme of internal audit has now been commenced.

Exhibit
No. 35/58.

269. An effective internal audit is essential to good management, although the lack of it does not prevent the Administration from performing its functions. But the need to forego this accepted and important form of internal control, because other essential activities had to be carried on throws into relief some of the difficulties facing the Administration because of delays in obtaining new and experienced staff. The involved and time-consuming procedures associated with the establishing of new positions and provision of staff, however necessary in a settled Public Service system, can be very frustrating in the case of a rapidly expanding organisation operating in an isolated and remote community.

See also
paragraphs
185-188

CHAPTER VIII

STORES AND EQUIPMENT

270. The inadequacy of the control of stores by the Administration has been the subject of a number of critical references by the Auditor-General.

271. In 1950, the state of the stores and stocktaking records were such that the Treasury approved abandoning the records and opening new records based upon stocktakings as at 30th June, 1949. By 1953-54, the situation had again deteriorated to an extent which prompted a critical comment from the Auditor-General in his report to the Parliament in respect of that financial year. In the report for the year 1954-55 the following comment was made :-

Tabled 9th
September 1954
Page 52.

" The stocktaking position in the Northern Territory Administrative Division is still unsatisfactory. There have been delays in conducting stocktakings and in processing results, hence the overall value of discrepancies since the opening of new records as at 30th June 1949, is not known. Other contributing factors are the lack of adequate instructions and inter-branch transfers without documentation.

Auditor-
General's
Report, for year
ended
30th June,
1955,
page 35.

Although stocktaking in all branches except Agriculture have been completed to 30th June, 1954, a composite statement of stores discrepancies had not been presented to the Audit Office at the date of preparing this Report. Following Audit representation the Department is taking action on these matters.

The composite statement of equipment discrepancies covering the period since the opening of new records as at 30th June, 1949, to 30th June, 1954 shows deficiencies of £17,346 and surpluses to the value of £84,088. The Administrator attributed the discrepancies to lack of effective control, receipts of goods not properly recorded, failure of branches to keep adequate records, disposal and destruction of obsolete and unserviceable items without proper authority, and to other reasons".

and for 1955-56 :-

" Improvement was noted in the accounting and control of stores and equipment but delays in the processing of stocktaking results are still evident. The Treasurer's approval to write-off discrepancies revealed in stocktaking to 30th June, 1954, has been withheld, pending remedial action by the Administration to prevent recurrences of unsatisfactory features which have been prominent in the past."

Auditor-
General's
Report, for
year ended
30th June,
1956,
page 54.

Major discrepancies as at 30th June, 1954, included :-

	<u>Deficiencies</u>		<u>Surpluses</u>	
	£.	s.d	£.	s.d
Tyres	699.	5.2	28,100.	6.1
Welfare Branch	9,631.	0.5	18,981.	7.0
Mines	769.	4.0	9,690.	0.7
Housing and Messing	3,131.	1.1	7,846.	4.6
Batteries	290.	10.8	5,660.	16.4

272. At the time of our hearings in Darwin, the Administration was in the process of making substantial changes in the procedures and arrangements for purchasing, holding and controlling stores and equipment. At that stage centralised purchasing had been commenced, the ledger control of equipment stock had been transferred from individual Branches to the Administrative Branch, a stores vocabulary and list of stockholders had been prepared and more positive checks had been introduced. Steps had also been taken to establish a Central Store.

Q.2431

Q.2424

"(MR. MURPHY) As I have said, steps have been initiated to establish a central store. As far as Darwin is concerned, we shall endeavour to co-ordinate all branch stores into one central store in a suitable building, and it will be the responsibility of the Superintendent of Stores and Supply to maintain proper control of stores. This stems from a desire on the part of the Administration to ensure that in future there will be a proper system of receipt, holding and issue of stores. There will of necessity always be bulk stores of food-stuffs and the like on settlements, which obtain their requirements at six-monthly intervals. The Superintendent of Stores and Supply will be an inspecting officer, and he will be able to check on this in future."

Q.2520

273. The position of Superintendent of Stores was created early in July, 1957, and advertised shortly afterwards. Later, Your Committee were informed that the new Superintendent was expected in April, 1958, and were also advised in the following terms :-

Exhibit No.35/69 page 3.

" On taking up duty the Superintendent of Stores will become responsible for all stores at present operated by Branches.

The Department of Navy has agreed to release a large, well built, weatherproof store of brick and concrete construction located in the Victualling Yards. This building together with the present store shared jointly by the Hostel and Housing Sections will provide sufficient space for the Central Store.

The Navy building will become available in June, 1958, thus allowing the Superintendent time to take over stores in existing locations and properly organise a move to the central location."

CHAPTER IX

BUSINESS UNDERTAKINGS

274. The control of business undertakings is one of the many functions of the General Services Branch of the Administration; it is also a matter which has attracted the attention of the Auditor-General. The undertakings fall into two main categories; one includes the electricity and water supply undertakings and the Darwin Cold Stores, the Department of Works providing the necessary technical services for these with the exception of the electricity undertaking at Tennant Creek; the other includes such undertakings as the Administration staff Hostels and the Darwin Bus Service, which are operated and controlled solely by the Administration.

275. Business undertakings under joint control. Much of the Auditor-General's criticism has been levelled at the electricity supply undertakings for which the Administration is responsible in Darwin, Alice Springs, Katherine and Tennant Creek; the criticism could equally have been applied to other undertakings under joint control, the Water Supply and the Darwin Cold Stores. The following general comment appeared in the Auditor-General's Report for the year 1956-57.

" Accounts relating to the business undertakings of the Administration - viz. electricity, water supply and cold stores - were found to be unreliable, due to the inadequacy of records being maintained by the Department of Works, and in some cases, to the lack of proper accounting by the Administration. These matters are receiving attention." Auditor-General's Report, for the year 1956-57 page 55.

We shall, however, in the main take the electricity undertakings as illustrating the problem.

276. The arrangements for the supply of electricity in the three centres, Darwin, Alice Springs and Katherine, are similar. The Department of Works is responsible for generation, distribution and maintenance while the Administration finds the necessary capital for installations and is responsible for the fixing of rates, reading of meters and the collection of moneys. At Tennant Creek, however, the Administration now purchases electricity from the Peko Mines²² and this is expected to reduce substantially the annual losses, previously incurred. For the year ending 30th June, 1957, the financial results of the four undertakings, after providing for depreciation and interest, were as follows :-

	<u>Net Profit</u>		<u>Net Loss</u>		
	(1955-56)	1956-57	(1955-56)	1956-57	
	£	£	£	£	
Darwin	(25,243)	59,795	-	-	Exhibit No. 35/70.
Alice Springs	-	-	(21,756)	9,999	
Tennant Creek	-	-	(12,116)	17,597	
Katherine	-	-	(20,443)	15,615	

277. Thus, on a Territory basis the electricity undertakings showed a net profit of £16,500 approximately, although revenue collected at Tennant Creek and Katherine was less than fifty percent of expenses for the year. One reason for the improved position has been increases in consumption in both Darwin and Alice Springs as a result of expanding population, additional housing and added use of electrical appliances. The following table shows the installed capacity at the Darwin power house and the power generated over the last eight years.

Qs. 2551-2559.

²² As from April, 1957.

	<u>Installed Capacity</u>	<u>Units Generated</u>	
1949-50	1670 K.V.A.	9,758,595	Exhibit
1950-51	2600 "	10,295,621	No. 35/69
1951-52	3550 "	12,367,200	
1952-53	3950 "	12,553,500	
1953-54	4795 "	12,838,650	
1954-55	4420 "	13,970,960	
1955-56	5390 "	16,714,810	
1956-57	5390 "	18,346,230	

A report to the Parliament on a proposal to erect a new steam power house in Darwin to replace the existing diesel installation was made by the Parliamentary Standing Committee on Public Works on 22nd April, 1958.

See Report on "Steam Power Station, Darwin."

278. In a submission to Your Committee the Auditor-General summarised his comments and observations about the electricity undertakings as follows :-

" Audit comment and observations in relation to the accounting for electricity undertakings have been concerned with the following :-

Exhibit No. 35/6 paras. 13 & 14.

- (a) Delays in supplying annual operational statements.
- (b) Excessive charges for interest and depreciation.
- (c) Capital accounts being unsupported by registers of assets.
- (d) Problems arising from the dual control between the Administration and Department of Works.

These include :-

- (i) Lack of liaison.
- (ii) Undetected errors in costing.
- (iii) Excessive on-costs.
- (iv) High maintenance costs.
- (e) Incorrect apportionment of costs between capital and operational expenses.
- (f) The unreliable basis used to determine increased charges.
- (g) Failure to take into consideration, in the operational statements, stocks on hand, including fuel, stores, etc.
- (h) Lack of co-operation between sections, resulting in failure to reconcile Municipal records of power supplied with revenue received.
- (i) Failure to take stock of stores and equipment.
- (j) Wastage in the distribution of current.

Remedial measures attempted by the Administration to date have been concentrated upon aspects associated with revenue collections and control. The matters which have attracted adverse Audit comment have largely remained without correction."

279. At the time Your Committee commenced their inquiry annual balance-sheets and satisfactory operating statements were not prepared for the electricity undertakings, nor, for that matter, the other business undertakings under joint control. We sought the reasons for this from Mr. Lambert.

"COMMITTEE MEMBER. - I notice that there is no balance sheet for any of these electrical undertakings. Why is that? --- (MR. LAMBERT) Because they run through the Commonwealth budget on a receipts and payment basis. The Administration establishes a capital account and has merely a memorandum trading account. There is no requirement in the law for a balance sheet and presentation of accounts. They are run as a Government undertaking, just like any other undertaking, through the ordinary Commonwealth budget".

Q.551

However, this would not prevent the Administration from preparing balance sheets as is evidenced by the fact that they are now available. Mr. Skermer told us how the Audit Office viewed the position :-

"We consider it, not only desirable, but essential for proper control over the accounts of the electricity undertakings to have an annual balance sheet and operational statements. Up to date, the Administration has not been able to produce this balance sheet because of the absence of satisfactory registers of assets and so on. That is our understanding of the position. Cases have been mentioned where stocks on hand - in some cases the actual purchases of stocks - have been charged wholly to the operational account. The value of stock on hand at the end of the year is not taken into account for the purposes of capitalisation of assets. That, of course, affects the operations of the year. There should be a balance sheet and appropriate operating statements for the period, matching the income for the year with the relative expenditure for that year."

Q.553

280. In the year that has since passed some advances have been made. In March, 1958, the Department of Territories submitted to Your Committee, on behalf of the Administration, balance sheets and operating statements in respect of the Darwin Cold Stores and the electricity undertakings for the year ended 30th June, 1957. However, the annual accounting statements relating to the Water Supply undertakings were not then available.

See also
para. 26.

281. The accounts submitted to Your Committee for the electricity undertakings and Water Supply made provision for depreciation and for interest on capital at $4\frac{1}{2}$ per cent. These charges, however, have not been levied in the Darwin Cold Stores' accounts and we sought the reasons for the differentiation.

"(MR. LAMPE). . . . In interest and depreciation, it was a considered determination that they would not be brought into account in assessing the charges for cool storage. It has been taken up with our Department, and it is declared policy that capital accounts may be dispensed with and that the capital charges normally associated with this type of undertaking may be ignored for the purposes of cool stores accounting.

Q.2921

COMMITTEE MEMBER. - That seems hard to follow, when we consider that, in dealing with the water supply yesterday afternoon, we were told that their balance sheet contained provision for both interest and depreciation. I cannot quite understand how you do not provide for those charges in one undertaking? --- (MR. LAMPE) The circumstances are not similar in each case. This establishment has to be kept going as a defence measure, really, and we thought it only reasonable that such capital charges would not need to be passed on."

Q.2922

Your Committee have now been informed that provision for interest (at 5%) and depreciation will in future be made in the Cold Stores' accounts. Revised charges introduced to take effect from 26th January, 1958, are expected to offset the additional cost involved, which is likely to be in the vicinity of £11,000 per annum. The Cold Stores showed a profit of £3,813 for the year 1956-57.

282. Charges for electricity, which are determined by the Administrator, were last varied in 1952. Separate charges are made for lighting and power in Darwin, Alice Springs, but single meter tariffs operate in Tennant Creek and Katherine. The tariffs are :-

	<u>Per Unit</u> s. d.	Annual Report of the Northern Territory for 1955-56, page 63.
<u>Darwin</u>		
Lighting	1. 1	
Power when consumption does not exceed 5,000 units per quarter	3	
Power when consumption exceeds 5,000 units per quarter	2½	
<u>Alice Springs</u>		
Domestic and commercial lighting	1. 1	
Power when consumption does not exceed 5,000 units per quarter	3½	
Power when consumption exceeds 5,000 units per quarter	3	
<u>Katherine</u>		
Domestic and commercial lighting	7	
Power when consumption does not exceed 5,000 units per quarter	7	
Power when consumption exceeds 5,000 units per quarter	6	
Power when consumption exceeds 10,000 units per quarter	4	

Per Unit

s. d.

Tennant Creek

Domestic and commercial lighting	7
Power when consumption does not exceed 5,000 units per quarter	7
Power when consumption exceeds 5,000 units per quarter	6
Power when consumption exceeds 10,000 units per quarter	5

283. Your Committee were informed that the electricity charges are reviewed each year and that the form of the tariff has been the subject of an investigation by an officer of the Department of Works. His recommendations have not yet been adopted, pending a re-examination of the situation by the Administration.

Q.2550

284. Charges for water are also determined by the Administrator. A loss of £68,360 (receipts were £20,788 only) was made by the Darwin Water Supply undertaking in 1955-56 when consumers were still mainly charged at flat rates ranging from £9.10.0 per annum for domestic use of £1,245 per annum for the larger service establishments. By 30th June, 1956, approximately 72% of all consumers in the Darwin area had been metered and new charges were introduced as from 1st July, 1956, providing for an annual allowance of 75,000 gallons at a cost of £5.12.6 with charges for excess water, rising from 1/6 per thousand for consumption between 75,000 and 150,000 gallons per annum to 4/- per thousand for usage in excess of 350,000 gallons. Most flat rate charges were also increased at that time.

Report of the N.T. for 1st July, 1953 to 3rd June, 1955 tabled 22nd April, 1957 page 14.

285. One of the purposes of the sharply increasing tariff is to restrict consumption. Darwin's water supply is drawn from the Manton Dam, approximately 42 miles from the town, through two mains of 15" and 12" diameter. In some dry seasons the pumping capacity has proved inadequate and restrictions on use have been necessary; however, the installation of a booster pump is expected to overcome this problem and investigations are also being made into the possibility of increasing the storage of the existing dam.

Annual Report of the Northern Territory, 1955-56, page 13.

286. The Administrator put the following point of view on the problem of water supply for Darwin generally :

"(MR. ARCHER) The third point that you referred to was the availability of water. I say straight away that we have placed squarely on us by the Government and the Parliament a responsibility to meet the costs of providing water within this Territory. I would say, secondly, that on this question of water charges we are quite frankly feeling our way. We have to bridge the gap. That is a necessity. We are not experimenting exactly; we are trying out various types of tariffs that will do two things: first, help us to bridge the gap in costs; and secondly, cut out unnecessary and wasteful use of water. As with electricity, we have not got cheap supplies of water. The supply of water in this community is expensive, having regard to the capital costs and the cost of maintenance and of pumping the water 42 miles. Our aim is to try to give to the people a minimum supply of water at a reasonable charge when compared with costs in other parts of Australia.

Q.3496

Once we get over the minimum supply, which we try to make as generous as we can, it starts to stop up with the dual purpose of preventing absolute waste of water and at the same time bringing in the revenue we require, and so bridge the gap between costs and revenue".

287. Your Committee's Fourteenth Report, which deals with the Supplementary Estimates and Section 37 Variations for 1952-53, disclosed some of the administrative problems and difficulties which had arisen from the dual control of the Northern Territory Water Supply undertakings and the Darwin Cold Stores. Your Committee concluded :-

" The system of dual responsibility for the Northern Territory Cold Stores and Water Supply leads inevitably to administrative frustrations. The arrangement should be terminated and a single authority established as has been done with the A.C.T. Electricity Supply."

14th
Report of
Joint
Committee
Public
Accounts
page 17.

Later the Department of the Treasury in its Minute on this Report advised :-

" 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 necessary to operate and maintain water, electricity and cool 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 on a single authority.

16th
Report of
Joint
Committee
Public
Accounts
page 22,
paras. 24-27.

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 Cool 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 Cool 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."

288. More recently the Administration submitted a statement to us on the proposal to lease the Cold Stores to private enterprise.

"....(The) Administration then gave consideration to three methods by which single control might be established. One of these was the leasing of the Stores to private enterprise on a short term basis.

Exhibit
No.35/69

Since the latter appeared to offer the most practical solution the matter was referred to the Department of Territories on 14th December, 1954, for the Minister's approval in principle. The Minister subsequently gave his approval to this on 10th January, 1955, but required that after all necessary details had been worked out with the Crown Law Officer final details as to conditions of lease were to be submitted to him for consideration prior to any advertisements being called. The Minister further directed that if it proved impossible or impractical to hand over to private enterprise, the question of the Administration assuming complete control would have to be reconsidered and possibly implemented.

To this end details of specifications of the Cold Stores were obtained from the Department of Works, Darwin, such as cubic capacity, cold store ranges, type of plant etc. after which the Crown Law Officer was requested to prepare a draft Lease Instrument. This was to include provisions to safeguard the interest to the Commonwealth and security of Assets which might be normal between Owner and Hirer in agreements of this nature. Other clauses sought for inclusion were those which would prevent exploitation of the public, and provisions of adequate space for Service requirements (Army and Navy).

On 20th July, 1955, the Darwin Chamber of Commerce wrote to the Administration expressing concern at the proposal and sought confirmation of reports circulating that the Stores would be placed in the hands of private enterprise. The Member for the Northern Territory, Mr. J.N. Nelson, M.H.R., also expressed concern to the Minister at the proposal to transfer the Cold Stores to private enterprise, and made representation on behalf of Darwin Traders that the Stores be retained by the Northern Territory Administration. Mr. Nelson also corresponded with the Minister for the Navy on this matter. In this, the Minister for Territories gave an assurance that the interests of the public would be safeguarded whilst the Minister for the Navy signified his Department's concurrence to action proposed for leasing.

On 12th September, 1955, the Administrator reported to the Department of Territories of difficulties which had arisen in the framing of a lease which would satisfactorily safeguard public interest from exploitation, the major difficulty being the impracticability of policing allocations of storage space to small customers and by control of such space the creation of a monopoly in certain items by the lessee or his agent. By now definite opposition to the

transfer of the Cold Stores to private enterprise was coming not only from the Darwin Chamber of Commerce but from small customers.

On 10th February, 1956, the Minister discussed the proposal to lease the Cold Stores to private enterprise with the Iron Administrator (The Hon. F.J.S. Wise) during a visit to Canberra, as a result of which the Minister directed :-

- (a) that the operation of the Cold Stores continue as a public utility; and
- (b) that the Department of Works be informed that continuance of the present arrangements for operation is preferred."

289. While the Electricity and Water Undertakings are under the dual control of the Department of Works and the Administration the position of the Cold Stores is complicated further by the interest of a third Department, the Navy, which still retains ownership of the assets. The Administration has agreed to maintain the Cold Stores building in good order and that the Navy should have the right to resume control upon reasonable notice being given in case of emergency. Furthermore, capital alterations, the cost of which are met by the Administration, are not undertaken without the consent of the Navy. Your Committee doubt whether the retention of Navy ownership is essential - it only further complicates an already involved situation and is a matter which might be reviewed.

Q.982

290. Many of the problems inherent in dual control can largely be overcome by close liaison between the controlling authorities concerned. It was evident to Your Committee that, over the years, relations between the Administration and the Department of Works had not been good, and that co-operation was not of a high order. However, there is now every indication that the two Departments are making a real attempt to overcome the unsatisfactory features associated with the operations of these undertakings in the past.

291. The consensus of opinion is that the undertakings should be under single control but the problems which a single authority might face in attracting and holding suitable technical staff, the form that such authority should take and the role to be played by municipal bodies, are all questions which are delaying the change. It is a matter to which, we were told, the Administration is giving close consideration.

292. The question whether trust accounts might be established as working accounts for these undertakings, in lieu of the present system of annual appropriation, might well be examined in the light of Your Committee's Thirty-Fourth Report on The Trust Fund.

293. Other Undertakings. The Administration staff hostels and the Darwin Bus Services are two other undertakings which have attracted criticism from the Auditor-General. In a submission to Your Committee the Auditor-General made the following statement about the control of hostels :-

Tabled
4th
December,
1957

"The Administration conducts four staff hostels in Darwin, one at Alice Springs and one (Accommodation only) at Tennant Creek.

Exhibit
No.35/6,
page 2,
paras.
7 - 10.

The unsatisfactory position which applies generally to stores and equipment accounting and control as mentioned in preceding paragraphs also applies to hostels, major features being :-

- (a) Lack of accounting procedures and instructions.
- (b) Unsatisfactory store and equipment records.
- (c) Delay in reconciling and adjusting stocktakings.
- (d) Capital accounts unsupported by appropriate registers of assets.

The remedial action taken or proposed by the Administration to place the store and equipment accounting on a satisfactory basis includes :-

- (a) The compilation of written accounting procedures and instructions. Instructions for the receipt, issue and storage of foodstuffs have been promulgated, whilst other instructions have been drafted and are awaiting approval.
- (b) The control and accounting of stores and equipment is being re-organized in accordance with new procedures.
- (c) A stocktaking has been made to give effect to (b) above.
- (d) The Lands Branch of the Department is undertaking a survey and valuation of all capital assets, preparatory to introducing registers of assets.
- (e) the establishment of a purchasing agency with centralised points for receipts and issue, with the aim of effecting economies and increasing efficiency is under consideration.

The procedure for revenue collection and control has been revised."

294. In his report for 1956-57 the Auditor-General noted that the trading results of the Administration hostels for that year were not available for audit examination when his report was compiled. They had still not been received at the time of Your Committee's inquiry in March, 1958. An amount of £36,339 was appropriated in 1956-57 under Division 273, Sub division D, Item 19, to meet the cash loss on operations of the hostels.

295. The accounts of the Darwin Bus Service, which the Administration has operated since 1942, have been stated by the Auditor-General to be "unreliable and inadequate". The Secretary and Chief Inspector of the Audit Office made this comment in March of this year. -

"(MR. SKERMER) The financial statement for the year 1956-57 in relation to buses has been

Q.4415

received but it is still in somewhat the same unsatisfactory condition that it was in on previous occasions. I understand that the features to which we have drawn attention in the past have not yet been satisfactorily rendered. ..."

The accounts prepared for the year 1955-56 showed a loss of £3,872 against revenue of £17,150.

296. Since 1st July, 1957, these two undertakings have been financed through two new trust accounts established under section 62A of the Audit Act 1901-1957, the Northern Territory Hostels Trust Account and the Northern Territory Bus Service Trust Account. Previously the Northern Territory Services Trust Account had been utilised for that purpose.

CHAPTER X.

THE WELFARE BRANCH.

297. The Welfare Branch of the Administration was established in 1954-55 to take over, inter alia, the functions of the old Native Affairs Branch. The following extract from the Report on the Northern Territory for 1955-56 gives some indication of the wide range of activities of the Branch :-

"Under the Welfare Ordinance the new Welfare Branch of the Administration has been made responsible not only for those aboriginal people who stand in need of special care and assistance, but also for welfare services generally for all sections of the community. These services include accommodation for aged and infirm persons, accommodation for aborigines advanced beyond the need of wardship and some people of mixed blood who have not advanced to the stage where they can provide themselves with accommodation in normal housing estates. The Welfare Branch continues to provide the link with the Administration for the State Children's Council and is directly interested in the problems of underprivileged, neglected and delinquent children.

Annual Report of Northern Territory 1955-56, page 29.

This Branch is responsible also for the administration of pre-school education in the Territory and is particularly concerned with the development of pre-school facilities in problem areas where these centres can make a valuable contribution to improving basic hygiene practices and to the development of a social consciousness among the people in these areas."

298. The Welfare Branch is the largest in the Administration with an establishment of 209 at 28th February, 1958.

Employment, Welfare Branch.

	<u>Positions established</u>		<u>Persons Employed</u>	
	<u>30/6/55</u>	<u>28/2/58</u>	<u>30/6/55</u>	<u>28/2/58</u>
Permanent	71	124	28	54
Temporary	12	85	35	83
	<u>83</u>	<u>209</u>	<u>63</u>	<u>137</u>

Exhibit No.35/2

In addition 84 persons were employed under awards. These figures illustrate the rapid expansion of the Branch, the shortage of staff and the substantial deficiency in the numbers of permanent officers available. Turnover of staff has also been high.

299. This Branch, too, has been criticised by the Auditor-General both generally and also in connection with the operation of the Beswick Cattle Station, situated some 80 miles from Katherine. He told us that the accounting had been unsatisfactory and commented adversely upon the manner in which the Aboriginal Trust Account, established under Section 29A of the Aborigines Ordinance of the Northern Territory, had been operated. He was also critical of an arrangement by which the Welfare Branch undertakes constructional projects on aboriginal settlements for the Department of Works. Your Committee found, as well, that the approach of the Branch to the preparation of the Estimates had not been entirely satisfactory. Many of these faults have been due to lack of experienced staff and the rapid development of the Branch in recent years; however, some progress has now been made in improving accounting and control.

See paras. 305 to 311.

300. Aboriginal Settlements. One of the main activities of the Welfare Branch is the control of aboriginal reserves and the operation of aboriginal settlements. Your Committee inspected two settlements while in the Territory, the Bagot Settlement at Darwin and the Beswick River Settlement; the Beswick Cattle Station, which is under the control of the Beswick Settlement Superintendent and within the Beswick Reserve, is situated about 20 miles from the Settlement.

301. As at 30th June, 1956, there were 17 declared aboriginal reserves in the Territory, covering a total of approximately 67,000 square miles. There were 12 government settlements catering for 3,138 aborigines and 14 private missions with a population of 4,654; the missions also controlled four institutions for part-aboriginal children. As already recorded, the Welfare Branch maintains and staffs hospitals on its settlements; it also provides, staffs and controls schools for aboriginal children which are outside the jurisdiction of the Education Branch. There was some agricultural production on the settlements, valued in 1955-56 at £14,629, the main items being fruit, vegetables and meat.

Annual Report of Northern Territory 1955/56, page 35.

Ibid, page 36. See para. 247.

302. The mission stations, which are controlled by seven separate mission authorities, receive substantial financial assistance from the Commonwealth Government. They have accepted responsibility for education, health and economic programmes and the financial relationship between them and the Commonwealth is on a basis of payment for specialised services. The Commonwealth contributes an amount of £750 per annum in respect of each teacher, nurse, agriculturalist and pastoral instructor whom a mission employs and other payments are made in respect of children and aged and infirm persons. In addition, assistance is granted towards mission building projects such as the erection of schools, hostels, residences, stores and for approved economic projects. In 1956-57, the value of this assistance amounted to £181,024 and provision has been made under Division 273 sub division C, item 3, for expenditure of £263,000 in 1957-58.

303. Aboriginal Trust Account. The Auditor-General made the following comment about the administration of the Aboriginal Trust Account by the Welfare Branch:-

" The Aboriginal Trust Account is administered by the Branch. The account was established by section 29A of the Aborigines Ordinance and receipts are -

Exhibit No. 35/6, page 4.

- (a) Sums due from employers of native labour.
- (b) Proceeds of native settlement canteen sales, and
- (c) Interest on Savings Bank deposits.

Payments are made to natives as authorised. Transactions are financed through a General Account in the Savings Bank.

The Account contains balances which have been held for considerable periods. Questions relating to accrued interest and inoperative balances have been under review by the Administration since 1951, without being brought to finality. Child endowment moneys have been placed in the account without proper segregation, resulting in failure to effect their complete distribution."

304. The Welfare Branch replied to this comment as follows:-

" The disbursement of the accumulated interest in the Aboriginals Trust Account in Darwin is expected to be completed by the end of September, 1957; the disbursement of interest in the Alice Springs account will not be completed before the end of November, 1957.

Exhibit
No. 35/61.

In regard to the disbursement of child endowment moneys, the Director of Social Services, Adelaide, was recently approached regarding the introduction of a new procedure for disbursement of these moneys. This procedure has been discussed with Accounts Branch of the Northern Territory Administration and Audit Office prior to the approach to Social Services. The procedure has been agreed on and is now in operation."

305. Works projects on Aboriginal Settlements. There is no formal document defining the arrangement whereby the Welfare Branch undertakes works on aboriginal settlements for the Department of Works, but we were informed that it has been clearly established in correspondence. The arrangement is very similar to that which exists between the Department of Works and No. 5 Air Field Construction Squadron: the Department of Works is responsible for overall supervision and the provision of materials, while the Welfare Branch provides the organisation and labour to carry out the work. However, unlike No. 5 A.C.S., the Welfare Branch claims reimbursement from the Department of Works for labour costs. Accordingly, all costs are finally brought to account by the Department of Works and charged to the appropriate vote.

Exhibit
No. 35/61.

306. Mr. H.C. Giese, Director of Welfare, told us what the Administration hoped to achieve by this arrangement.

"COMMITTEE MEMBER. - What you hope to achieve, of course, is the establishment of settlements at which the natives have been given a measure of confidence in themselves because they have had a hand in the construction of their own homes? --- (MR. GIESE) There are two main purposes so far as we are concerned in relation to the use of native labour. One is to train some natives so that they can improve their employment possibilities in the building trade. The second is to give the natives some stake in what is to become their home for some time to come. At Warrabri, the strip which will be used by D.C.3's was constructed with tomahawks and rakes by the old men of the tribe who would normally have been sitting around. Much the same has been done at Papunya, where a licence has recently been issued by the Department of Civil Aviation for the aerodrome to be used. In doing that, I submit quite sincerely that the natives - not only the able-bodied natives - have made a substantial contribution to their homes."

Q. 3818

The Welfare works force includes a group of skilled European tradesmen, which is supported by some skilled and unskilled native labour. The force is under the technical supervision of a Works and Services Officer.

Q. 3815

307. The Auditor-General submitted to Your Committee the following comment upon these arrangements.

" The Branch, by arrangement with the Department of Works, has undertaken constructional projects. Accounting and costing records relating to these projects are unsatisfactory. Lack of technical staff, plant and machinery, stores facilities etc. make it doubtful whether the Branch should undertake work which would normally be executed by the Department of Works."

Exhibit
No. 35/6
page 4,
para. 23.

Corrective action has since been taken by the Welfare Branch with a view to overcoming the many unsatisfactory features of the accounting and costing methods.

" The main criticism made by Audit related to costing details being kept on file, the fact that no ledger cards setting out the financial position of each project were maintained, and that no progressive balance of funds available could immediately be determined. This procedure of keeping records in files was not in accordance with the accounting procedure drawn up, as under this procedure a card system was to be maintained setting out details of -

- (a) estimated cost of project;
- (b) progressive expenditure on :-
 - (i) wages
 - (ii) messing
 - (iii) plant hire
 - (iv) materials
 - (v) incidental expenditure;
- (c) balance of funds available.

Ledger cards have now been raised for every project under construction by the Welfare Branch."

308. Your Committee are of the opinion that the Departmental policy of using aboriginal labour for constructing buildings, etc. of the type and for the purpose mentioned is sound. At the same time, close co-operation between the Department of Works and the Welfare Branch is necessary to ensure satisfactory financial control of these projects. Your Committee note that while the Department of Works provides the necessary materials it has no direct control over the costs incurred on labour; inadequate accounting control within the Welfare Branch and delays in seeking reimbursement from the Department of Works can result in the approved allocations of funds for jobs being exceeded.

309. The Beswick Station. The Beswick Cattle Station, which is 1,300 square miles in area was purchased by the Commonwealth in 1947.

"COMMITTEE MEMBER. - In Canberra, I asked Mr. Reseigh whether the station was primarily for the purpose of training native stockmen or for the production of beef and the grazing of cattle? --- (MR. GIESE) In its present conception, the station has two main purposes. In the first place, it is to provide what we have called primary and secondary phase training of young natives as stockmen or station hands for the pastoral industry, including mustering, blacksmithing, butchering, saddlery, rope making and so on. The second purpose is the provision of beef to Beswick creek settlement, and as can be arranged, to other settlements. Those are the two main purposes. There is a subsidiary purpose, and that is the sale of any surplus cattle - that is cattle surplus to our requirements for Beswick or any other station - on local markets. There is also what I would call a fourth and long-term objective, which is the setting up of selected native pastoralists in the 1,300 square miles of country comprising the Beswick aboriginal reserve, depending on the success of the experimental work being done by the Directors of Plant Industry and Animal Industry and in our success in training native pastoralists."

Q.3858

The Welfare Branch has no precise record but estimates that 22 aboriginals have been fully trained as stockmen since 1947, while an unspecified number have obtained sufficient experience to be able to work with droving teams. To 30th June, 1957, 3,549 head of cattle had been turned off the property at a rate varying between 250 and 450 per annum.

Exhibit No.
35/61.

310. Accounts submitted to Your Committee for the financial year ended 30th June, 1956, showed a net profit for the year of £2,472.6.6 and an accumulated loss in the Profit and Loss Account of £26,003.12.5.

Exhibit No.
35/2.
page 54.

311. The Auditor-General submitted the following comments to Your Committee on the operation of the Station. -

" Audit comment has been directed mainly to the following matters :-

Exhibit
No. 45/6,
paras. 16
and 17.

- (a) The total expenditure incurred (in excess of £100,000) is high compared with the results achieved.
- (b) Operational statements are based on inaccurate and unsupported information, which does not agree with Welfare Branch Ledger accounts.
- (c) Stock on hand is an estimated figure, not based on actual muster, and is apparently understated. This, combined with inconsistencies in revaluing stock, emphasises the unreliability of the operational statements.
- (d) Assets are not satisfactorily recorded in an assets register. Building values are considerably understated and locally constructed buildings have not, apparently, been costed and taken into account.
- (e) Costing and accounting procedures and instructions are inadequate.
- (f) Delays occurred in determining a firm policy regarding the future of the Station.

Recently, the financial statements for the year ended 30th June, 1956, were examined by Audit, and, although prepared on the same unsatisfactory basis as formerly, they show evidence of improvement in accounting and costing and reveal a net profit for the first time in the history of the station. The favourable financial result has been achieved, principally, by a more realistic valuation of livestock and a reduction in operational and administrative expenses."

312. Mr. Giese told us of other steps which had been taken to improve the accounting arrangements for the Station.

"(MR. GIESE) ... A procedure has been drawn up by the Finance Officer in consultation with my administrative officer and the Audit Office, which sets out the financial procedures which will be followed in respect of the station. It also sets out the books which will be maintained at the station. I might add that there are no financial documents as such maintained at the Station. There are basic registers maintained at the station, but all the financial accounts are held in the Accounts Branch of the Northern Territory Administration. If you wish, I can present a document setting out that procedure."

Q.3871

Mr. Skermer, Secretary and Chief Inspector, Audit Office, who accompanied the Committee on its inspection of the Beswick Cattle Station said :-

"(MR. SKERMER) We are satisfied with the proposed arrangements. Q.3876
We are satisfied too that appropriate action is being taken to institute those arrangements and to see that they are continuously maintained, but we do reserve the right to have a look at them at a later date."

CHAPTER XI.

EDUCATION

313. Since 1944, the Department of Education of South Australia has accepted responsibility for the administration of education in the Northern Territory by agreement with the Commonwealth which provides the necessary buildings and reimburses the Government of South Australia for the costs it incurs. The agreement provides inter alia :-

" The Education Department of South Australia shall accept responsibility for the administration of education in the Northern Territory in respect of :- Q.3168

- (i) Staffing of schools.
- (ii) Inspection of schools.
- (iii) Curricula for schools.
- (iv) Classification of schools.
- (v) Recommendations for the establishment of new schools.
- (vi) The appointment and control of teachers.
- (vii) The classification of teachers.
- (viii) The transfer and promotion of teachers.

The basis of the education system in the Northern Territory shall be the South Australian Education Act and Regulations.

The Commonwealth Government through the appropriate channels will provide buildings, have these erected under the supervision of its own officers and paid for direct.

All other costs of education in the Northern Territory, the South Australian Government will pay in the first instance and be reimbursed by the Commonwealth Government, upon a certified statement furnished to the Secretary of the Department of the Interior.

The immediate administrative set-up will be :-

(1) In Adelaide -

- (a) An administrative officer nominated by the South Australian Education Department, who, working under the Director of Education in that State, shall act, in conjunction with his present position, as Supervisor of Education in the Northern Territory.
- (b) A Secretary to the Supervisor who could be one of his present clerks who would be given specific additional duties.

(2) In the Northern Territory -

An Assistant Supervisor who shall be a teacher in a Northern Territory school and will carry out the duties of Assistant Supervisor in conjunction with his duties as a teacher.

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Conditions of teaching service in the Northern Territory. -

- (1) Classification of schools and teachers and the promotion and transfer of teachers will be in accordance with Education Regulations in South Australia.
- (2) Salaries will be at the South Australian rate plus a special allowance sufficient to make the total remuneration compare favourably with Commonwealth rates in the Northern Territory. As a tentative measure subject to alteration as found necessary such special allowance will be at the rate of £120 per annum.
- (3) Sick leave and superannuation rights as in South Australia will be preserved.
- (4) School vacations and travelling concessions -
 - (a) First and second term vacations to be as in South Australia.
 - (b) Christmas vacation to be seven weeks.
 - (c) Return fares for teachers and families to South Australia to be paid at the end of two years' service in the Northern Territory."

314. In July, 1957, the special allowance stood at £200 per annum for a married teacher supporting a wife and £120 for a single teacher; teachers' salaries, we were told, compare unfavourably with Commonwealth Public Service rates of pay. South Australian teachers volunteer for a minimum of two years' service in the Territory - they are not directed there by their Education Department - but there is no recruitment problem :- Q. 3104

"COMMITTEE MEMBER. - Have you difficulty in recruiting teachers to come here? ---(MR. McLAY) No. At present, there are 82 teachers in the Northern Territory. All schools are fully staffed, and the secondary schools are slightly over-staffed. By that, I mean that the pupil-teacher ratio in secondary schools is lower than is the case in South Australia. Q. 3106

COMMITTEE MEMBER. - What is the figure? ---(MR. McLAY) At Darwin High School there are 10 teachers for 175 pupils at Alice Springs there are 8 teachers for 90 pupils. Included in those are the specialist teachers - commercial teachers, home science and dressmaking teachers, the art teacher and the manual training instructor. They count only as half a member of the staff when you are assessing the pupil-teacher ratio. The classes in Northern Territory secondary schools are smaller than is the custom in South Australia." Q. 3107.

315. In July, 1957, there were approximately 2,500 children attending government primary and secondary schools throughout the Territory, as compared with 170 in 1945. Children of mixed blood attend these schools, 28.9 per cent of the enrolment in 1956 being part aboriginal and 4.5 per cent of Asian origin. The scope of education is from the infant level rising to matriculation at the High Schools in Darwin and Alice Springs. There is no university or university college in the Territory. Q. 3110

316. The Education Branch is also responsible for adult education and the technical education of apprentices. Enrolments in adult evening classes in 1957 in Darwin numbered 270 and in Alice Springs 89. The most popular courses were English for New Australians (total 87), Commonwealth Public Service Third Division examination (65), Shorthand and Typing (62), Woodwork (59) and Dressmaking (50). Fifty-two apprentices were registered at 30th June, 1957. Exhibit No. 35/44. Q. 3137

317. The Assistant Supervisor, Northern Territory Schools, who is the head of the Education Branch of the Northern Territory Administration, has a dual responsibility - on the one hand he has to advise the Administration on matters of education, and on the other, to administer education on behalf of his South Australian Department. He told us that he did not find this duality an embarrassment; indeed, the arrangement has worked most satisfactorily since its inception in 1944. And though, as the Territory develops, this method of farming out the important functions of education to another government may obstruct the path of the people of the Northern Territory in their march towards self government, Your Committee suggest that the time is not yet opportune for a change. The present agreement, making available to the Territory as it does, the resources and experience of a large and long established Education Department, is to the advantage of the Territory.

Q. 3162

CHAPTER XII.

OTHER BRANCHES.

318. Of the remaining Branches of the Administration there are only three to which Your Committee desires to make particular reference - the Mines Branch, the Water Use Branch, and the Agriculture Branch.

319. The Mines Branch. The following comment relating to this Branch appeared in the Report of the Auditor-General for the year ended 30th June, 1955. -

" The Mines Branch has been particularly lax in stores control. Stocktaking results have not been reconciled with equipment registers; theft has been facilitated by inadequate custody; and the Branch has failed fully to comply with Treasury requirements regarding losses.

Auditor-General's Report for year ended 30th June, 1955, page 53.

Mining equipment has been purchased and not used and there has been considerable delay in taking disposal action on equipment known to be surplus. Correct disposal procedure has not been observed. Commonwealth property has been hired and loaned to persons without authority and without written agreement or record."

In a subsequent submission the Auditor-General informed Your Committee that :-

" The maintenance and control of government owned batteries at Tennant Creek, Hatches Creek and Maranboy have been inadequate. Initial capital costs and expenditure were not recorded; trading and capital accounts have not been properly maintained. Operations by private companies and individuals have been conducted without adequate lease agreements, whilst in other cases terms and conditions have not always been enforced. Lack of inspection and supervision of equipment during tenancies has resulted in losses by theft. Tailings at Tennant Creek (against which an amount of £67,000 has been advanced to miners) and a tailings dump at Hatches Creek have not been processed.

Exhibit No. 35/6.

Remedial measures have been proposed, but some time must elapse before they can be put into effect.

Royalties and royalty returns are not being received in accordance with the Mining Ordinance 1939-1956 and Regulations. Royalties on uranium production are not, under instruction from the Minister for Territories, being collected.

The lack of control over royalties under the Mining Ordinance has been stated to be due to inadequate staff. The Administration intends to appoint an officer to carry out those duties."

320. We received from the Director of Mines, Mr. G.F. Adams, a comprehensive statement commenting upon the criticisms by the Auditor-General. Your Committee also saw Mr. Adams while in Darwin.

Exhibit No. 35/53

"COMMITTEE MEMBER. - How long have you been Director of Mines in the Northern Territory? --- (MR. ADAMS) Since 14th January, 1955. Qs.3564 to 3567.

COMMITTEE MEMBER. - How did you find the Mines organisation when you arrived? --- (MR. ADAMS) Not very good.

COMMITTEE MEMBER. - Not in first-class order? --- (MR. ADAMS) Not in first-class order.

COMMITTEE MEMBER. - What is it like now? --- (MR. ADAMS) I think it has improved."

But Mr. Adams added later that the Branch was still not functioning as it should and gave as one reason, the difficulty of obtaining staff.

"COMMITTEE MEMBER. - Do you consider that the Mines Branch is functioning as it should? --- (MR. ADAMS) No, I do not believe that. Q.3596

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COMMITTEE MEMBER. - Do you wish to tell the Committee anything else about the organisation of the Mines Branch? --- (MR. ADAMS) I can say only that my organisation probably has the same difficulties as most of the other branches. Our principal difficulty has been to get staff, particularly trained staff. We are not in a position to train staff ourselves, and so try very hard to get here the people that we know can do the job. I do not think there is any necessity for me to elaborate further on that." Q.3597

321. Water Use Branch. This Branch of the Administration was established in 1955 for the purposes of surveying and investigating the development, the control, and the administration of water resources in the Territory, a field in which there had been little activity in the Territory previously.

322. The Director of Water Use, Mr. R.N. Eden, was appointed in October, 1955, but until early in 1957 had no staff to assist him. At the time of our Darwin sittings, July, 1957, he was supported by a staff of two, a temporary draftsman and a temporary clerk, but he told us that eight permanent positions in the Branch had recently been established and a further five were under consideration. As at 28th February, 1958, there were twenty-seven established positions of which fourteen were permanent, against which a total of twenty-two persons, seven permanent and fifteen temporary, were employed. Also attached to the Branch were ten persons employed under awards. Q.3623

323. Your Committee note the substantial time which elapsed before staff was obtained to enable this Branch of the Administration to function.

324. Agriculture Branch. The functions of the Agriculture Branch are :-

- "(1) The development of pastures and fodder management both for semi-tropical areas and the arid areas; Q.3718
- (2) The experimental work in connection with the potential rice industry in the northern parts of the Territory; and
- (3) Experimental and extension work with field crops such as peanuts, grain sorghum and other crops that could be grown as cash crops."

The Branch maintains experimental projects in Darwin and its surrounds, at Katherine and Alice Springs: Your Committee inspected an experimental farm near Katherine and a rice project at Humpty Do.

325. This Branch has also suffered greatly from staff shortages.

"COMMITTEE MEMBER. - Do you experience any difficulty in getting suitable staff? --- (MR. CURTEIS) Yes, all the difficulty in the world. The Agriculture Branch here is totally inadequate so far as staff is concerned; in fact, our work is being jeopardised because we cannot get staff. The staff position is absolutely inadequate to undertake the work that Agriculture should be doing in the Territory. Q.3760

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COMMITTEE MEMBER. - Mr. Curteis, how do the salaries offered in the Northern Territory for specialised jobs compare with those offered in the States, taking into consideration the district allowances and the taxation zone allowance? --- (MR. CURTEIS) I think they compare very favourably. I think that the salaries in the Territory are higher than in the States, but when there are quite a lot of positions in agriculture still offering, particularly in the States, the incentive payment over those salaries is not sufficient to attract people here. Another thing that has to be taken into consideration is that the Agricultural Branch in the Territory is a very small branch, and there is very little provision for promotion. There are very few jobs above £1443-£1623. Therefore, a person taking a position in the Territory has to consider that, in the Department of Agriculture in one of the States or in the C.S.I.R.O., there would be quite a lot of positions graded well above that salary range. Q.3809

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COMMITTEE MEMBER. - Is the work of your Branch seriously curtailed by your inability to obtain staff of the requisite quality? --- (MR. CURTEIS) Yes definitely." Q.3813

326. When inspecting the Katherine Farm Your Committee noted that valuable machinery was not under cover. We discussed this with the Director of Plant Industry, Mr. W.K. Curteis, who told us that shortage of buildings was another problem which his Branch has had to face.

"COMMITTEE MEMBER. - What has been your reaction to the way things have been done? Do you think ample consideration has been given to the protection of this machinery? --- (MR. CURTEIS) NO. So far as buildings are concerned, the Agricultural Branch is in urgent need of protection for machinery. In addition, on our rice project, we need buildings for the residents and for single men's quarters and office space. We have a serious lack of suitable buildings." Q.3720

327. While in Katherine, Your Committee also visited the Research Station of the Commonwealth Scientific and Industrial Research Organisation. We noted that some of the experiments at the station would be of value to the Agriculture Branch and we, therefore, asked what arrangements there were for co-ordination between the two organisations.

"COMMITTEE MEMBER. - I wish to ask you one or two questions in connection with overlapping, which was mentioned yesterday. Are you satisfied that the C.S.I.R.O. keeps you fully informed on the results of their experiments? --- (MR. CURTEIS) No, we do not receive very much information from them. Actually, we have not seen any published statements at all or any reports on their work at Katherine or the Kimberley Research Station, which are the two places that are of interest to us. Although there is always available a free exchange of ideas with people at those stations, particularly at Katherine, we have not received reports on results of experimental work.

Qs. 3748-
3750

COMMITTEE MEMBER. - You are not kept fully informed? --- (MR. CURTEIS) No.

COMMITTEE MEMBER. - Yesterday, we discussed results that had been achieved by the use of sorghum. Has Mr. Arndt sent his results to you to enable you to compare them with your results? --- (MR. CURTEIS) No official communications have come from them to us. The only information we have would be the information that has come to us by inquiry at the station. We always have free entry into the C.S.I.R.O. station and either Mr. Arndt or his officers are available to supply us with information.

COMMITTEE MEMBER. - If you happened to know that they were conducting certain investigations, I expect that they would tell you their findings if you inquired? --- (MR. CURTEIS) Yes, they are very helpful in that way.

Qs. 3755 &
3756

COMMITTEE MEMBER. - But there could be more collaboration on the scientific side? --- (MR. CURTEIS) Yes, what is told to you by an officer is really not as accurate or authentic as an official report."

This is a matter which might well be examined by the Commonwealth Scientific and Industrial Research Organisation and the Administration. We think, too, that the Agriculture Branch, particularly in relation to its Katherine farm, impinges upon the functions of the Animal Industry Branch and this, too, is an aspect that might be examined.

328. Your Committee also discussed with the Director of Plant Industry the increase in expenditure over the initial appropriation in 1956-57 under Division 273, sub-division D, item 30, of £54,650. Final expenditure was £67,163. Your Committee were told that the Branch had first sought £59,650 and we gained the impression, when discussing this with Mr. Curteis, that no real attempt may have been made to modify plans when the appropriation was reduced. Your Committee have since received a statement explaining how the over-expenditure arose and which concluded as follows :-

" In his evidence before the Committee, the Director of Plant Industry stated that he had originally sought more than the £54,650 actually appropriated. The amount originally sought was £59,650. The Director set out to live within the appropriation but he knew that it could happen that in adverse circumstances the appropriation might not suffice because his field work involves continuing projects that cannot be dropped without dislocating a programme stretching over many years, and that like many agricultural activities are subject to the hazards of seasonal conditions. The Director so indicated before the Committee.

Exhibit
No. 35/64

It will be seen that the over-expenditure derived from factors which the Director could not reasonably be expected to have anticipated in planning the expenditure of the appropriation under Item 273-D-30, and implies neither culpable under-estimating nor irresponsible disregard of the limit of appropriation. It illustrates the difficulty of closely matching expenditure and appropriation in the peculiar circumstances of the Northern Territory, within each and every Item even when overall the expenditure was within two per cent of the appropriation. The fact that the extraordinary expenditures described in this statement exceed in total the £13,000 (approx.) over-expenditure of Item 273-D-30 indicates that the Director endeavoured to make what savings he could elsewhere within this Item."

CHAPTER XIII.

TRANSPORT

329. In 1954, Mr. A.B. Greig, M. Inst. T. (Eng.) of the Commonwealth Department of Supply investigated the transport arrangements of the Northern Territory Administration. Details of the recommendations he made and information about the action that had been taken, up to January, 1958, by the Administration on his report, appear in Appendix No. 12.

330. One recommendation was that "the long term aim (should) be the establishment of motor vehicle pools when practicable." However, evidence taken by Your Committee in Darwin in July, 1957, showed that central control of the transport of the Administration was then still undeveloped.

"COMMITTEE MEMBER. - What control is exercised over transport in the Territory? Is control centred in Darwin or at each large area? --- (MR. ARCHER) In many instances, control has definitely to be left to those who require the vehicles - survey parties, surveyors, stock inspectors, veterinary people, welfare officers and so on. For the rest, there is a general responsibility vested in the head of the branch and in the Assistant Administrator to keep some check and some supervision over the use of vehicles, but no real answer will be found until the transport section is built and the pool created. I am referring solely to vehicles under charge to the Northern Territory Administration, and not to any other Commonwealth vehicles. Each Commonwealth department is responsible for its own vehicles, and all of my remarks must be related to the vehicles of the Northern Territory Administration.

Qs. 1843-
1845.

COMMITTEE MEMBER. - That answers one question that I intended to ask you. The other is: are Government cars allotted individually to the heads of the various branches here? --- (MR. ARCHER) I think the answer is 'yes'.

COMMITTEE MEMBER. - They are entirely at the disposal of those officers? --- (MR. ARCHER) And of their branches as necessary."

One consequence of these arrangements was that Commonwealth vehicles were being used for private purposes.

331. We were informed that one of the factors delaying the creation and operation of a pool for Administration vehicles was the absence of a suitable transport building: the Transport Section was then (as it still is) housed in a part of the old Vestey's building which is shortly to be demolished.

Q.1042

332. In January, 1958, the Administrator informed Your Committee that :-

".... Much work has been done towards the establishment of a Transport Pool in Darwin, and the detailed administrative arrangements for its operation, and its system of direction and control, are at the moment in course of being implemented. Once the pool is established, it is expected that some adjustments to these arrangements may have to be made in order to meet special and unforeseen requirements which may be peculiar to our transport needs here in the Territory.

Exhibit
No.35/65
para. 6.

For this reason it is intended, as experience is gained, to extend it progressively to the other centres in the Territory. With regard to the suggestion that the activities of the pool should be extended to include transport services for other Departments, e.g., Attorney-General's Department, Department of Health, Audit Office etc., it is considered that the teething problems that we must expect to meet within the establishment of the Administration's own pool, should first be overcome; and that, in the light of the experience gained, consideration might then be given to any extension of the scope of the pool."

333. Another matter that has engaged the attention of Your Committee is whether there should be some centralisation of the work of maintaining and servicing Commonwealth vehicles in Darwin. In a memorandum to Your Committee dated 9th September, 1957, the Auditor-General said :-

" Arising from a visit by a senior Audit Officer to Darwin, in February, 1952, certain suggestions were made to the Secretary, Public Service Board regarding matters where, it was considered, investigation might lead to economies. One suggestion referred to the possibility of the motor vehicle servicing and repair organisation of the Department of Works, Darwin, being improved to enable it to undertake additional work, with the object of servicing and repairing all Commonwealth vehicles in Darwin.

Exhibit
No. 35/60
paras 2
& 4-6.

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In Darwin, at present, vehicle repair and servicing of Commonwealth vehicles are undertaken by establishments operated by the Department of Works, the Northern Territory Administration, the Service Departments, Commonwealth Railways and the Department of Civil Aviation. Qantas Empire Airways Ltd. also operates its own vehicle workshops. Smaller departments, for various reasons, tend to employ private garages to service their vehicles because it is considered they are more conveniently situated, minimise delays in servicing and charge lower prices.

The advantages which may be obtained from amalgamation of all or some of the workshops in Darwin are those which apply to the establishment of any large-scale enterprise - viz., lower capital outlay, economy in stockholdings, greater efficiency through the maximum use of latest-type mechanical devices, savings in labour etc..

Nevertheless, firm expression of views cannot be given by this Office as the matter requires technical investigation. The Committee will be aware that transport generally of the Northern Territory Administration was investigated in 1954 by Mr. A.B. Greig of the Department of Supply, but the possibility of amalgamation of workshops does not appear to have received attention."

In his letter to the Committee in January, 1958, the Administrator said :-

" The proposal for a maintenance and servicing organisation for all Commonwealth vehicles is, of course, outside the scope of the Greig Report, on which attention has so far been concentrated. A full and careful technical investigation would need to be made before any firm recommendations could be formulated; and at the moment such an investigation would be beyond the technical resources available within this Administration.

Exhibit
No. 35/65
paras. 7
and 8.

The system of maintenance carried out by the Administration at the time of the Committee's visit, was in accordance with the recommendations of the Greig Report i.e. a maintenance programme based on 1,000 and 4,000 miles and in this intervening period all attention has been fixed on improving efficiency in the control and operation of the workshop organisation and facilities, which are now to be considered operating as satisfactorily as possible in the present conditions. Plans for the construction of the new transport depot and repair shops which are to be located in the Parap area, are well advanced and construction is expected to commence during the current financial year. With the move to this new depot, further important improvements can be made in the efficiency of this service."

334. Your Committee note that the Administration proposes to erect repair shops for the maintenance of its vehicles. However, when in Darwin, Your Committee inspected the new transport workshop of the Department of Works then under construction - we understand that the workshop is now completed and is being used. Bearing in mind the advice of the Auditor-General, we suggest that before construction of the Administration transport workshop, estimated to cost £77,000, is commenced a full investigation should be made to ensure that there will not be any unnecessary duplication of facilities and organisation in Darwin for the maintenance and repair of Commonwealth owned transport.

D - SUMMARY AND CONCLUSIONS

Chapter XIV - Summary of Report

Introductory.

1. Your Committee's Inquiry has been into the Northern Territory Administration, not the Northern Territory. (Paragraph 4.)
2. The Northern Territory Administration is a Branch of the Department of Territories. Its activities extend far beyond those of an ordinary Department. (Paragraph 5.)
3. An inquiry into the Northern Territory Administration must give full weight to the area, climate, population and isolation of the Northern Territory, and to the existence of other Governmental agencies and offices outside the jurisdiction of the Northern Territory Administration. (Paragraph 6.)

The Northern Territory.

4. Over the years since 1863, when South Australia acquired the Northern Territory, the Territory has seen many vicissitudes, and its history records the failure of successive administrations effectively to overcome the disabilities from which the Territory suffered. (Paragraphs 7 - 14)
5. On the 1st January, 1911, the Northern Territory passed from the control of South Australia to that of the Commonwealth, under the provisions of the Northern Territory Acceptance Act 1910. One of the conditions of the transfer was that the Commonwealth would complete the North-South Railway. (Paragraphs 15-16.)
6. Under Commonwealth control the administration of the Northern Territory was vested in the Minister of External Affairs, but was assumed by the Minister for Home and Territories in 1916. The first Administrator appointed by the Commonwealth was Dr. J.A. Gilruth, who entered on his duties in 1912. (Paragraph 17.)
7. In 1918 serious civil disturbances occurred expressing popular anger with the actions of the administration. There were attempts to force the Administrator to leave Darwin, rioting occurred, and he was later recalled by the Government. To investigate the causes of the disturbances, the Government, in 1919, appointed as Royal Commissioner, Mr. Justice Ewing of Tasmania. (Paragraphs 18, 19.)
8. In 1922 the Northern Territory was given a representative in the Federal House of Representatives with limited voting powers. In 1947, the Northern Territory Legislative Council was established; in 1951, the Minister of Territories took over as part of his responsibilities the administration of the Territory with a Department of Territories to assist him. The Northern Territory Administration became a branch of that Department. (Paragraphs 20-23.)
9. From time to time subsequent to 1912 various Royal and other commissions were appointed to review the development of the Territory.
10. With the bombing of Darwin in 1942, the Army assumed full control of the Northern area. Civil administration was resumed in 1945. (Paragraph 22-23.)

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11. In paragraph 25 et seq., Your Committee discuss the increase in population and the expansion of activities in the post-war years. At the 30th June, 1957, the estimated population was 11,065 males and 8,105 females - a total of 19,170 - excluding aboriginals. With aboriginals the total population in 1957 probably exceeded 34,000. Approximately half of the population is in Darwin. (Paragraphs 24-34.)
12. Despite heavy handicaps, the post war period has been marked by rapidly increasing activity. The potential both in public and private spheres and resources of the Territory are being investigated; mining expansion has been spectacular, the building and construction industry has revived, the pastoral industry has remained stable and there have been important developments in the field of aboriginal and general welfare. (Paragraphs 35-40.)
13. In paragraph 41, Your Committee give the amount of Commonwealth expenditure on Territory services since 1948-49. During that period expenditure has increased five fold. At the same time, responsible citizens in the Territory fear that, without a full recognition of the importance of continued government expenditure to long term development, there may be a recurrence of the slumps of other days. (Paragraphs 41, 42.)

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14. In paragraphs 41-46, Your Committee mention briefly other authorities currently investigating aspects of the government and administration of the Northern Territory, viz. the Northern Territory Legislative Council Select Committee on Constitutional Reform; inter-departmental committees investigating housing in tropical areas, household amenities, and conditions under which officials have to work; and the Administrator himself who has the task of making a general review. (Paragraphs 43-47.)

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15. In paragraphs 48-60 Your Committee describe the methods and machinery of administration of the Territory under Commonwealth control.
16. Dr. Gilruth, the first Commonwealth permanent Administrator, was appointed in 1912 and was compelled to leave Darwin by a dissatisfied community in 1918. His successor - Mr. H.E. Carey - was called Director of the Territory, and he was assisted by a Council of Advice with a majority of nominated members. In October 1919, Mr. Carey, the Judge of the Northern Territory (Judge Bevan) and the Government Secretary left Darwin under threat of force. Another Director - Mr. Staniforth Smith - was appointed in December 1919 and remained in office until late in 1920. In 1921, the office of Administrator was again created, and remained until 1927, when the Northern Australia Act 1927 abolished the position. (Paragraphs 48-54.)
17. The Northern Australia Act 1927 divided the Territory into two parts - Central Australia and North Australia - each part to be administered by a Government Resident with the assistance of an Advisory Council of four (two elected). The Act also created a North Australia Commission charged with developing the Northern Territory. (Paragraph 51.)
18. The Parliamentary Debates on the proposed Act revealed an awareness of the difficulty of financing the Northern Territory development through established estimates procedure. The then Prime Minister (Rt. Hon. S.M. Bruce) described the problems created by remote control, changing ministers, and an absence of a continuous policy. (Paragraphs 52-54.)

19. The Northern Australia Act was repealed in 1931, the Commission was abolished, and the Administration of the Territory was again placed in the hands of an Administrator at Darwin. (Paragraph 55.)
20. The Bill to abandon the division of the Territory into two areas was introduced by the Minister for Home Affairs (the Hon. A. Blakely) and Your Committee give excerpts from the Debates on that measure. An attempt to have an Advisory Council established was defeated after conferences between the two Houses of the Commonwealth Parliament. (Paragraphs 56-59).
21. The most important administrative changes made since 1931 have been the incorporation in 1940 of the greater part of the Northern Territory Public Service within the Commonwealth Public Service and the appointment in 1947 of a Legislative Council for the Territory with power to make ordinances for the peace, order, and good government of the Territory. The Council was inaugurated on 15th February, 1948. (Paragraph 60.)

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22. Four major inquiries into activities in the Northern Territory have been made since 1913. (Paragraph 61.)
 - (a) The Royal Commission of 1913-1914 was mainly concerned with railways and ports but did not receive the assistance it needed to do its work and failed to reach unanimity. (Paragraphs 62, 63.)
 - (b) The Royal Commission of 1919-1920 was appointed to investigate the civil disturbances of that time. The Commissioner (Mr. Justice Ewing) reported unfavourably upon the administration and bitterly criticized the Commonwealth Government. The report aroused a storm of controversy and was followed by the prosecution of successful suits by two of the officers concerned against the Commonwealth. The Commonwealth was, however, subjected to further criticism by Mr. Justice Higgins. (Paragraphs 64, 65.)
 - (c) The inquiry by Sir George Buchanan in 1925 was into the port facilities of Northern Australia. Sir George maintained that the Territory was suffering from isolation, an inefficient system of administration, lack of communications and constant labour troubles. (Paragraphs 66, 67.)
 - (d) The Payne Committee was appointed on 23rd March, 1937, to consider land tenures, etc., the better utilization of lands, transport facilities, development of the Territory and the productive potentialities. The recommendations of the Board included :-
 - (i) suspension of levies of personal income tax and of tariffs for a period of twenty years;
 - (ii) changes in the organization of government in the Territory, which fell far short of what was needed;
 - (iii) extending the power of the Administrator; and
 - (iv) varying the ordinary financial year to meet the special conditions of the "wet" season in the Northern Territory. (Paragraphs 68-73.)

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23. The first 30 years of Commonwealth control reflected little credit on the Commonwealth. (Paragraph 74.)
24. The appointment of a Legislative Council in 1947 and of a Minister for Territories in 1951, with a Department of Territories, were steps towards meeting some of the criticisms of the several Commissions of Inquiry. The change in administrative attitudes may also be responsible for the recent advances in the Northern Territory. (Paragraph 75.)

Government of the Territory.

25. The Northern Territory (Administration) Act 1910-1956 provides, amongst other things for an Administrator and a Legislative Council for the Territory. The Administrator holds office during the pleasure of the Governor-General and must exercise all the powers and functions of his office "in accordance with the tenor of his Commission and in accordance with such instructions as are given to him by the Minister". (Paragraphs 76-79.)
 26. In the opinion of the Acting Secretary of the Attorney-General's Department, the power of the Minister to instruct the Administrator extends to powers and functions conferred upon the Administrator by Northern Territory Ordinances. (Paragraph 79.)
 27. The Northern Territory Administration as a Branch of the Department of Territories, is under the administrative control of the Secretary of the Department. (Paragraph 80.)
 28. There are eleven Branches of the Northern Territory Administration. Their functions are set out in paragraph 81. (Paragraphs 80-81.)
 29. There is no formal functional order in relation to the Northern Territory Administration as such. (Paragraph 82.)
 30. The Administrator was given a general directive in 1938 to concern himself with major aspects of the work of other Commonwealth departments in the Territory. The Administrator told us that he had not yet exercised that jurisdiction. (Paragraph 84.)
 31. The Administrator exercises many functions of a socio-political character as well as others of a quasi-judicial nature. His role is both diverse and onerous. (Paragraph 85.)
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32. In paragraphs 87 to 105 Your Committee discuss in detail the relationships between the Administration, the Department and the Minister.
 33. As a matter of administrative practice the line of communication between the Administrator and the Minister and the Administration and other departments is through the Secretary, Department of Territories. (Paragraphs 88-91.)
 34. The Secretary of the Department (Mr. Lambert) told us that the Department tends to play a dual role - it assists the Administrator and, when necessary, protects the Minister and that there is no danger of a restrictive attitude or any attitude of inferiority or superiority ever arising. (Paragraph 92.)
 35. As against this somewhat oversimplified picture, responsible witnesses at Darwin sensed an unwillingness to allow the local authorities to manage their own affairs coupled with a re-assertion of control from Canberra. (Paragraph 93.)

36. Proposed Regulations made by the Administrator are subjected to three checks before becoming law - by the Minister, by the Legislative Council and by the Commonwealth Parliament. (Paragraph 94.)
37. Your Committee examine the existing administrative arrangements, note the tendency for detailed departmental control from Canberra and conclude that while those arrangements remain the office of the Department of Territories in Canberra will continue to play a positive role in dealing with matters affecting the Northern Territory. Some would meet this problem by clothing the Administrator with the powers, if not the status, of a Permanent Head. (Paragraphs 96-103.)
38. Whatever may be done in a formal manner, Your Committee believe that it is imperative that an effort should be made by the Department to slough off the vestigial remains of the old order under which the Territory was administered by a system of remote control. (Paragraph 104.)
39. Your Committee record the view of the Select Committee for Constitutional Reform on the arrangements for administering the Territory. (Paragraph 105.)

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40. In addition to the Administration, 19 Commonwealth Departments and agencies operate in the Northern Territory. The co-ordination of the activities of many of these with those of the Administration is essential to the efficiency of the government of the Territory. (Paragraphs 106-111.)
41. The co-ordination of the work of the departments is a duty imposed on the Public Service Board and that duty might be performed the better if there were a Public Service Inspector on the spot. (Paragraph 112.)
42. Your Committee consider that the issue of an Administrative Arrangements Order relating to the government of the Northern Territory as such is an urgent necessity. (Paragraph 113.)

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43. The Legislative Council of the Northern Territory, consisting of the Administrator and seven nominated and six elected members, was created by the Federal Parliament in 1947. (Paragraph 114.)
44. Attempts made in the Commonwealth Parliament in 1947 and 1953 to have the number of elected members increased were defeated. Another proposal put forward in 1953 was that the Council should be empowered to consider and report upon the Estimates for the Northern Territory. (Paragraphs 114-115.)
45. An amendment to the Northern Territory (Administration) Act in 1953 made Public Servants ineligible for election to the Legislative Council. (Paragraph 115.)
46. An official member is nominated as a persona designata and not ex-officio. The present official members are heads of Branches of the Administration or are the senior representatives of the Health and Attorney-General's Departments. (Paragraph 117.)
47. Nominated members are expected to support the implementation of Government policy but the Administrator told us that their position would not necessarily be affected if they opposed government measures. (Paragraph 119.)

48. Appointed members are advised in advance of proposed legislation but elected members are not. (Paragraph 120.)
 49. The Council usually meets three times a year for a period of three days on each occasion. (Paragraph 121.)
 50. The procedure of the Council tends to stultify the efforts of elected members to review legislation. Little time is available for the consideration of urgent measures and the ability of a member to formulate and express his views may be affected. (Paragraph 122.)
 51. The procedural methods of the Council have defeated to an extent the purposes for which it was established. Under normal conditions ample time should be afforded for the unhurried consideration of the business of the Council. (Paragraph 124.)
 52. The Administrator has made some useful suggestions for improving the working of the Council. (Paragraph 125.)
 53. Your Committee describe the procedure established for assenting to Ordinances. Since 1948 assent by the Governor-General has been withheld from five Ordinances and two others have been disallowed. (Paragraph 126.)
 54. Your Committee record an elected member's view of the functioning of the Council. (Paragraph 127.)
 55. The Legislative Council appointed a Select Committee on 3rd April, 1957, to report upon constitutional reform for the Territory. (Paragraph 128.)
 56. The report was tabled in the Council on 7th November, 1957, and a motion adopted that it be forwarded to the Minister for Territories with a request that the report and recommendations be implemented. (Paragraph 129.)
 57. The recommendations of the Select Committee are stated fully in Appendix No. 3. (Paragraph 129.)
 58. Substantial delays have occurred before the printed Hansard record of Council meetings has been available. (Paragraph 131.)
 59. One result is that the Hansard is not on hand when the Department is advising the Minister. (Paragraph 131.)
 60. The printing of Ordinances is subject to similar delays. Bills for Ordinances are submitted to the Council in roneoed form. (Paragraph 122.)
 61. Your Committee suggests that the printing of Hansard and Northern Territory Ordinances be discussed by the Department with the Treasury and the Commonwealth Government Printer. (Paragraph 133.)
 62. Delays also occur in the drafting of Ordinances due to a shortage of drafting staff in the Darwin Office of the Attorney-General's Department. (Paragraph 134.)
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63. The revival of the old Darwin Municipal Council is another step to promote self-government. (Paragraph 135.)
 64. The conditions under which the Municipal Council was re-established in Darwin are set out in Appendix No.4.

PART II

Finance

65. Local revenue collected in the Northern Territory in 1956-57 totalled £907,215; the estimate for 1957-58 is £968,000. (Paragraph 138.)
66. Details of the various sources of local revenue are set out in paragraphs 138-140 and Appendix No.5.
67. Your Committee found that Probate Duty, in addition to Commonwealth Estate Duty, is payable in the Northern Territory in accordance with the Administration and Probate Act 1891 and the Succession Duties Act 1893 of the State of South Australia. Stamp Duty is also levied but the rates have not varied since 1917. Neither Probate Duty nor Stamp Duty is levied in the Australian Capital Territory and Your Committee draws attention to the differing policies pursued by the Commonwealth. (Paragraphs 141, 142.)
68. Your Committee suggest that levies and charges imposed by Ordinance and Regulation might be reviewed from time to time. (Paragraph 142.)
69. The Legislative Council Select Committee on Constitutional Reform when arguing their claim to autonomy estimated that local imposts and income tax collected in respect of the Northern Territory would approximate £2,500,000 per annum. (Paragraph 143.)

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70. The estimate of expenditure on local administration in 1957-58 is £7,986,000, including £3,361,000 on Capital Works and Services. The actual expenditure in 1956-57 totalled £6,527,928. (Paragraph 114.)
71. Unlike Papua and New Guinea, where the Legislative Council discusses its own budget, the receipts and expenditure of the Northern Territory form part of the Commonwealth Budget; the Legislative Council of the Territory does not examine the Estimates of Expenditure for the Territory. (Paragraph 145.)
72. The Administrator gave us a prepared statement as to the manner in which the Estimates of Expenditure for the Administration are prepared. (Paragraph 146.)
73. The Estimates are framed by the Administration in the first instance and are then sent to the Department of Territories in Canberra where they are examined. After approval by the Minister the Estimates are forwarded to the Treasury where further discussion takes place between the Department of Territories and the Treasury. (Paragraph 146.)
74. Your Committee note the difference between the Estimates arrangements for the Northern Territory and the Territory of Papua and New Guinea. (Paragraphs 147, 148.)
75. Your Committee discuss the difficulties arising from imposing a global limit upon expenditure by the Administration. (Paragraphs 149-152.)
76. Your Committee do not favour substantial reduction in the details shown in the Estimates for the Northern Territory Administration and consider the existing difficulties should be met by streamlining procedures: We suggest the Department of Territories and the Treasury might consider the position. (Paragraphs 153-155.)
77. Your Committee suggest changes in the presentation of the Administration Estimates which will convey more useful information than at present. (Paragraph 155.)

78. Your Committee note the desire of the Legislative Council to have limited responsibility for approving Estimates for the Northern Territory. Even before that stage is reached, if at all, Your Committee believe that it might be wise to find ways and means for allowing the Council to discuss the Territory Estimates. (Paragraph 156.)

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79. In the last five years appropriations for Capital Works and Services for the Administration have been substantially underspent. An analysis on the expenditure under Division 61 from 1952-53 to 1956-57 show a total appropriation of £9,540,000 and an expenditure of £7,553,748. The total estimate for 1957-58 for this division is £2,223,000. Expenditure under Item 2, Developmental Services, of Division No.61 has averaged only 48% of the appropriation for the five year period. (Paragraphs 157-159.)

80. Your Committee discuss the procedures for determining the Commonwealth civil works programme and the works programme of the Northern Territory Administration. (Paragraphs 160-165.)

81. The responsibility for framing the works programme rests with the sponsoring Department and Minister; the Department of Works carries out the programme on the requisition of the sponsoring Department. (Paragraph 165.)

82. Reasons for the past substantial underspending of the Administration's Capital Works appropriations include optimistic estimates of design potential and works capacity, administrative delays, the incidence of the wet season and the slowing down of the programme by government decision. (Paragraphs 166-171.)

83. The lack of works and design potential has limited the Northern Territory works programme in recent years. Your Committee discuss this matter further when dealing with the Department of Works in Chapter III. (Paragraphs 168-172.)

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84. The Sub-Treasury in Darwin does not operate as a Branch of the Department of the Treasury but as part of the Administration. (Paragraph 173.)

85. The Treasury now favours transferring the staff to the Treasury; Your Committee see no objection to this but suggest that any action should have regard to the ultimate objective of autonomy for the Northern Territory. (Paragraph 175.)

Organisation Staffing and Accommodation

86. As at 28th February, 1958 the staff of the Administration, including 457 persons not employed under the Public Service Act or the Northern Territory Public Service Ordinance, totalled 1,067. (Paragraphs 176-180.)

87. The Public Service establishment of the Administration has grown rapidly; at 28th February, 1958, 24% of all positions were unfilled. (Paragraph 179.)

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88. The Public Service Board informed Your Committee that it might be some years before an assurance could be given that the Administration had achieved a proper level of stability and efficiency. (Paragraph 181.)
89. An Officers' Association attributed the "general inefficiency of the Public Service in the Northern Territory" to shortage of staff, a high rate of staff turnover and poor conditions. (Paragraph 182.)
90. The Administrator said that, because of staff shortages, the Administration had not been able to provide sound administration. Another reason has been a lag in strengthening the establishment of the Administration. (Paragraphs 183-185.)
91. Your Committee discuss the time consuming processes which must be followed to enlarge or vary the Administration establishment and from which considerable delays have resulted. We suggest the delays might be reduced if a Public Service Inspector were permanently stationed in the Territory. (Paragraphs 185-186.)
92. Your Committee record some of the Administration's problems in recruiting suitable staff but note that the situation is improving pari passu with the conditions. (Paragraphs 187, 188.)
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93. Much of the office accommodation in Darwin for Commonwealth Departments is still extremely poor. In 1939 the Public Works Committee recommended that more commodious office accommodation should be provided as early as possible; in 1955 the same Committee confirmed this recommendation and emphasised that it was imperative to construct office buildings without delay. Only one substantial permanent Government office building has been erected in Darwin since the war. (Paragraphs 189-193.)
94. Your Committee record descriptions of the existing office accommodation in 1955 some of which Sir William Dunk, Chairman, Public Service Board, classed as "dreadful". Many Government offices in Darwin are still situated in converted Army huts or other similar sub-standard accommodation, some of which was in a deplorable state at the time of Your Committee's visit. (Paragraphs 194-197.)
95. The Department of Territories has included one permanent office building in the draft works programme for 1958-59. (Paragraph 197.)
96. Your Committee consider that one of the main causes for the inefficiency of Commonwealth staffs in Darwin has been the primitive conditions in which many officials have been required to work for many years. (Paragraph 198.)
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97. The Administration is the civil housing authority for the Northern Territory and it also operates hostels. It leases houses to public servants and key personnel, rents substandard emergency housing to private persons and operates a housing loan scheme. (Paragraph 199.)
98. There was common agreement amongst witnesses that housing conditions as late as 1954 were extremely bad, but improvement has taken place in the last three years, e.g. for the year ended 30th June, 1957, of a total of 839 new houses and flats completed in the Territory, half were built by the Government for its own employees; 582 were built in the Darwin area. (Paragraph 193.)
99. Under a Housing Loan Scheme introduced in July, 1953, 255 loans had been approved to the end of 1957. (Paragraph 202.)

100. Your Committee were told that building costs were such as to put home ownership beyond the reach of ordinary workers. We received numerous complaints about the lack of housing for renting to non public servants. (Paragraph 203.)
101. Many people are forced to live under primitive conditions; the Health Department has made frequent representations to the Administration seeking improvement. (Paragraphs 204, 205.)
102. The inability of many private persons to obtain suitable housing in Darwin is:-
- (i) reducing the number of competent industrial and wages staff available to the Commonwealth;
 - (ii) retarding the growth of a stable work force; and
 - (iii) one of the causes of the high rate of staff turnover.
- (Paragraph 207.)
103. Your Committee believe these factors militate against efficiency and result in increased costs to the Commonwealth. (Paragraph 207.)
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104. Commonwealth public servants and some temporary employees, have some advantages over their counterparts in southern areas. Notwithstanding these benefits, the absence of certain amenities and facilities continue to have an adverse effect on the availability and retention of staff. (Paragraphs 208-213.)
105. We are satisfied that the cost of living in the Territory is high and that some employees, especially married men with families, find living very difficult. (Paragraph 210.)
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106. The Public Service Board has no branch office in the Territory. An Inspector stationed in Canberra visits the Territory on the average of three times a year. Other Board officers have visited the area from time to time. (Paragraph 214.)
107. It was strongly represented to us that a Public Service Inspector should be permanently stationed in the Territory. (Paragraphs 215, 216.)
108. The Chairman of the Public Service Board (Sir William Dunk), however, considered the present arrangements were satisfactory. (Paragraphs 217, 218.)
109. Your Committee consider that a Public Service Inspector permanently stationed in the Territory could help to achieve greater efficiency and better working conditions in the various Commonwealth departments; we, therefore, think the Board might well review its present attitude. (Paragraph 220.)

The Works Department

110. The functions of the Department of Works in the Northern Territory are three-fold:-
- (i) It is the construction authority for Commonwealth departments;
 - (ii) it maintains and repairs Commonwealth buildings, roads, bridges, etc; and
 - (iii) it operates on behalf of the Administration several business undertakings. (Paragraph 221.)

111. In 1955-56 it controlled expenditure for the Northern Territory totalling £3,917,233, approximately 10% of the expenditure controlled by the Department in Australia and the Australian Territories. (Paragraph 221.)
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112. Your Committee discuss at paragraphs 223 to 226, works and design potential and note the inaccurate assessments of the potential in relation to the 1956-57 programme. (Paragraph 224.)
113. The Department of Works at Darwin cannot handle all the design work; assistance is received from the Brisbane Office of the Department. (Paragraph 224.)
114. The slowing down of the Works programme in the Territory in 1955-56 caused contractors to put off employees, many of whom were lost to the Territory. (Paragraphs 225-226.)
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115. Your Committee examined a number of projects completed or commenced during the past five years in the Territory. The history of one, the Katherine Court House, is recorded in detail in Appendix No. 9. (Paragraphs 227-228.)
116. Many unsatisfactory features about the way these projects had been undertaken were revealed. (Paragraph 227.)
117. In some cases, work was done without proper financial authority, long delays occurred both in the works and sponsoring departments, and there was evidence of bad estimating and a lack of departmental co-operation. (Paragraph 227.)
118. Your Committee also found that the Department of Works in Darwin has had many problems to overcome such as shortage of trained staff, inefficient staff, delays in submitting requirements, changes by departments in their plans, lack of tenderers and inadequate office accommodation. (Paragraph 227.)
119. The Katherine Court House project illustrates well the delays that occur. The existing building is in a deplorably dilapidated state but it is little worse than other buildings in which people have to live and work in Darwin. Nonetheless, Your Committee find it hard to appreciate why, pending its replacement, the building has been allowed to reach and remain in its present condition of disrepair. There was evidence of a disturbing lack of even minor maintenance. (Paragraphs 228-229.)
120. The large number of essential projects outstanding in relation to the limited finances and resources available makes the allocation of priorities for the Administration's capital works extremely difficult. (Paragraph 228.)
121. A major reason for the poor performance of the works programme is the conditions that have prevailed in the Territory. (Paragraph 229.)
122. But it is evident that conditions are improving and there is a more positive approach to works matters and closer co-operation between the departments. (Paragraph 230.)
123. Your Committee believe that criticism of the Department of Works in the Territory has not always been justified. (Paragraph 231.)
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124. The present construction potential in the Territory has been developed with difficulty and at much expense. Contractors have found it necessary to import labour and maintain hostels for employees. (Paragraph 232.)
125. The adverse effects of the slow down in the works programme in 1955-56 were repeatedly drawn to our attention and a long term works programme for the Territory was urged. (Paragraph 233.)
126. Commonwealth works in the States play a secondary role, whereas in the Territory they constitute a major part of the expenditure on capital projects. Variations in the programme can therefore have a marked effect upon the general level of activity in the Territory and the availability of constructional resources. We therefore suggest that a different approach to works programming for the Territory may be warranted. (Paragraphs 234-235.)
127. Works for the Territory are considered on the basis of separate departments and not as a whole. (Paragraph 236.)
128. Your Committee conclude that the present works programming procedures do not suit the needs of the Territory. We suggest that a long term and orderly flow of money for capital works in the Territory has much to commend it. (Paragraph 237.)

The Department of Health

129. The Northern Territory Division of the Department of Health is responsible for the public health and medical services of the Northern Territory. In addition to the usual Commonwealth health functions, the Division maintains hospitals, medical clinics, road and air ambulances, and many other services. (Paragraphs 238-239.)
130. The main hospitals are at Darwin (190 beds), Alice Springs (117), Katherine (27) and Tennant Creek (34). There are small hospitals at Batchelor and the Bagot aboriginal Reserve, near Darwin. Your Committee were told that these hospitals should adequately meet needs until 1962. (Paragraphs 240-241.)
131. The Aerial Medical Service flew 128,000 miles in 1956-57 and carried 520 patients to hospital. The Department owns three aircraft, which are operated and maintained under contract by Trans Australia Airlines. (Paragraph 242.)
132. The new Leprosarium situated 12 miles from Darwin was built and is financed by the Commonwealth, but is staffed by the Roman Catholic Church. (Paragraph 243.)
133. The staff of the Northern Territory Division in December, 1957, numbered 393. The Division has suffered from a high staff turnover and recruitment of permanent officers has been difficult. (Paragraphs 244-245.)
134. The Director of Health at Darwin is responsible to the Director-General of Health at Canberra and not to the Administrator, but relations between the Health Department and the Administration appear to be good. The Welfare Branch and the Health Department have successfully combined to provide medical and hospital services on aboriginal settlements. (Paragraphs 246-247.)
135. While the existing pattern of executive responsibility remains, there is merit in the Health Branch remaining within the Commonwealth Department of Health. (Paragraph 248.)

No.5 Airfield Construction Squadron

136. The No.5 Airfield Construction Squadron is constructing a new runway at Darwin airport and has done work at the Humpty Doo Rice project for a private organisation. (Paragraphs 249-250.)
137. The primary purpose of the Squadron is to train for war purposes. (Paragraph 251.)
138. The relationship of the Squadron to the Works Department is that of a contractor. The Works Department designs the projects, exercises supervision, and supplies structural material; the Squadron provides and maintains the labour force and essential equipment. (Paragraph 252.)

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139. Work on the runway at Darwin Airport commenced on 1st June, 1955, and was planned to be completed by December, 1957. Delays have occurred and the present estimated completion date is March, 1959. (Paragraph 253.)
140. Since February, 1955, there have been three major changes in the project. This is one reason for the substantial rises in the estimated cost of the project from £2,070,000 in February, 1955, to £3,132,000 in February, 1958. The present estimated cost of the work if done by another agency is £4,310,000. We were told that the Squadron benefits from certain cost advantages. (Paragraph 254.)
141. A view of the Squadron that they can expect to carry out work more cheaply than contractors has not been fully substantiated as their projects are not costed and usually a final actual cost is not obtained. (Paragraphs 254-255.)

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142. The Squadron since November, 1956, has carried out work on the Humpty Doo rice project for Territory Rice Ltd. at a total cost of £25,953. Payment by the firm has been made over a period, the last amount being received on 18th March, 1958. Fortnightly claims will be rendered in future. (Paragraph 256.)

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143. Your Committee were told that the Squadron had at least ten years work in sight. We note the absence of a detailed costing of the activities of the Squadron and record that, until recently, there were no orders relating to the custody and accounting of structural materials provided by the Department of Works. We recommend that these matters of costing and control should be examined by the Treasury and the Departments of Air and Works. (Paragraphs 257- 258.)

Activities under the control of the Northern Territory Administration

Introductory

144. In recent annual reports, the Auditor-General has strongly criticised the lack of proper accounting and control in the Administration. During the post-war years a serious administrative situation has existed at Darwin and the Administration has not been able to discharge its duties efficiently. (Paragraphs 259-260.)

145. The blame for this state of affairs does not lie with the Administration or the staff to any large extent: it is a product of the perfunctory attention paid to the needs of the Northern Territory before the War, the dislocation caused by the war and the slow recovery in the post-war period. (Paragraph 260.)
146. The Auditor-General told us that the situation was still not satisfactory. (Paragraph 261.)
147. We discussed with the Department of Territories and with the Treasury whether special relieving staff could be sent to the Administration to clear up arrears of work. We were told that the Treasury itself was short of experienced accounting officers and was finding it difficult to recruit them. (Paragraph 262.)
148. The Public Service Board has said that it may be some years before a reasonable level of efficiency is reached in the Administration. Your Committee conclude that, without a great deal of positive action to offset the handicaps suffered by the Administration, the quality of government in the Territory will remain below proper standards. (Paragraph 263.)

Accounting and Internal Audit

149. Following strong criticism by the Attorney-General in his 1955 Report of accounting practices in the Administration, the Public Service Board investigated the situation. The report revealed very serious defects. The Finance Section of the Administration has now been re-organised and other remedial steps have been taken. (Paragraphs 265-266.)

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150. The Auditor-General commented upon the lack of internal check in certain branches of the Administration in his Reports for the years 1954-55, 1955-56 and 1956-57. (Paragraph 267.)
151. A statement was submitted to Your Committee which showed three persons working in the Internal Audit Section. We subsequently established that none of these three persons was actively engaged on internal audit work. (Paragraph 268.)
152. Appendix No.11 explains the fruitless efforts made during 1956 to obtain a suitable officer for the position of Senior Internal Auditor. An officer finally took up duty on 9th January, 1958, and a continuous programme of internal audit has now been commenced. (Paragraph 268.)
153. Your Committee point out that an effective internal audit is essential to good management. The need to forego this accepted form of control because other essential activities had to be carried on throws into relief some of the time consuming procedure associated with establishing new positions and obtaining staff and the real difficulties these procedures produce for the Administration. (Paragraph 269.)

Stores and Equipment

154. The inadequacy of the Administration's arrangements for the control of Stores and Equipment has been criticised frequently by the Auditor-General in his annual reports. At 30th June, 1954, the records disclosed surpluses of £84,088 and deficiencies of £17,346. (Paragraphs 270-271.)

155. Your Committee were told in Darwin that the Administration was making substantial changes in connection with purchasing, holding and controlling stores and equipment. A new office of Superintendent of Stores was created in July, 1957, and an officer was expected to take up duty in April, 1958. The Navy has agreed to release to the Administration a large weatherproof building of brick and concrete to serve as a central store. (Paragraphs 272, 273.)

Business Undertakings.

156. The Administration controls a number of business undertakings, some, such as the electricity undertakings, jointly with the Department of Works. (Paragraph 274.)
157. Generally the accounting for the various undertakings has been unsatisfactory and has attracted criticism from the Auditor-General. (Paragraphs 274, 275.)
158. The Administration is responsible for electricity undertakings in Darwin, Alice Springs, Katherine and Tennant Creek. (Paragraph 275.)
159. The arrangements in Darwin, Alice Springs, and Katherine are similar. The Department of Works is responsible for generation, distribution and maintenance of the undertakings, while the Administration finds the capital for installations, fixes the rates, reads the meters, and collects accounts. At Tennant Creek, supplies are purchased from the Peko Mines. (Paragraph 276.)
160. In 1956-57 the four undertakings collectively showed a net profit of £16,500 approximately. On the 22nd April, 1958, the Parliamentary Standing Committee on Public Works presented a report to the Parliament upon a proposal to build a new power house in Darwin. The installed capacity of the existing power house has trebled in the eight years to 30th June, 1957. (Paragraphs 277.)
161. In paragraph 279, we set out in detail a statement submitted to Your Committee by the Auditor-General indicating the defects in the accounting of the electricity undertakings. Some of these have recently been overcome. (Paragraphs 278-280.)
162. Satisfactory balance sheets for the business undertakings were not available at the time of Your Committee's visit to Darwin. In March, 1958, however, we were provided with balance sheets and operating statements for the Darwin Cold Stores and for the Electricity Undertakings for the years ended 30th June, 1957. Statements relating to the Water Supply undertakings were still not then available. (Paragraph 280.)
163. Provision is made for depreciation and for interest on capital at $4\frac{1}{2}$ per cent in the Electricity and Water Supply accounts. Your Committee have been told that, in future, provision for interest (at 5%) and depreciation will be made in the Cold Stores Accounts. (Paragraph 281.)
164. The Administrator fixes the charges for the various undertakings and they are set out in detail in paragraphs 282 to 284.
165. The Darwin Water Supply undertaking lost £68,360 in 1955-56. (Paragraphs 284-286.)
166. In their Fourteenth Report, Your Committee urged the ending of joint control for the Cold Stores and Water Supply since such a system inevitably leads to administrative frustration. (Paragraph 287.)

167. In the Treasury Minute on this report, Your Committee were told that the Department of Territories agreed with the proposal but felt there were too many difficulties, including insufficient technical staff, to make the change then. An attempt was subsequently made to lease the Gold Stores to private enterprise. (Paragraphs 287-288).
168. The Department of the Navy own the Gold Stores. This complicates an already involved situation which we suggest might be reviewed. (Paragraph 289.)
169. Many of the problems inherent in dual control can be overcome by close liaison and there are indications that co-operation between the Department of Works and the Administration is improving. The consensus of opinion seems to be that dual control should be abandoned, but there are difficulties to achieving this at this stage. (Paragraphs 290-291.)
170. Whether Trust Accounts should be established for these undertakings could well be examined. (Paragraph 292.)

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171. The operation of the Administration hostels, and of the Darwin Bus Services has also been criticised by the Auditor-General. (Paragraph 293.)
172. Trading results of the hostels for the year 1956-57 were still unavailable at the time of our hearings in March, 1958. The financial statements of the bus services had been received for the year 1956/57 but were still "unreliable and inadequate". (Paragraphs 294-295.)
173. Since 1st July, 1957 the hostels and the bus service have been financed through two new trust accounts established under section 62A of the Audit Act. (Paragraph 296.)

The Welfare Branch.

174. The Welfare Branch was created in 1954-55, inter alia, to take over the functions of the old Native Affairs Branch. Its functions are extensive and it is now the largest Branch in the Administration with a staff of 209 as at 28.2.58. Turnover has been high, and the figures reveal both staff shortages, and a substantial deficiency in the numbers of permanent officers available. (Paragraphs 297-298.)
175. The Auditor-General has criticised many aspects of the operations of this Branch. (Paragraph 299.)

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176. The control of aboriginal reserves and the operation of aboriginal settlements are principal functions of the Welfare Branch. (Paragraph 300.)
177. At 30.6.56 there were 17 declared reserves, covering 67,000 square miles. There were 12 government settlements catering for 3,138 aborigines and 14 private missions with 4,654. The missions also controlled four institutions for part-aboriginal children. (Paragraph 301.)
178. The seven separate mission authorities controlling mission stations received financial assistance from the Administration in 1956-57 amounting to £181,044. The Estimate for 1957-58 is £263,000. (Paragraph 302.)

179. Defects in the administration of the Aboriginal Trust Account are being remedied by the Branch. (Paragraphs 303-304.)
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180. The Branch undertakes works on Aboriginal Settlements for the Works Department which is responsible for overall supervision and supplies the materials; the Welfare Branch provides the organisation and the labour. Aboriginal labour is used where possible. (Paragraphs 305-306.)
181. Corrective action has been taken by the Welfare Branch to overcome the many unsatisfactory features of the accounting and costing methods used for these projects which had provoked criticism from the Auditor-General. (Paragraph 307.)
182. Your Committee consider the policy of using aboriginal labour where possible is sound. We note that close co-operation between the Department of Works and the Welfare Branch is necessary to ensure satisfactory financial control. (Paragraph 308.)
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183. The Beswick Cattle Station is operated by the Welfare Branch to train aborigines as stockmen or stationhands and to provide meat for settlements. The station was purchased in 1947 and the accumulated loss on operations to 30th June, 1956 totalled £26,003. (Paragraphs 309-310).
184. The Auditor-General had strongly criticised the state of the station accounts. The Audit Office is satisfied with the remedial measures now being taken by the Branch. (Paragraphs 311-312.)

Education.

185. Since 1944, the Education Department of South Australia has accepted responsibility for the administration of education in the Territory on a reimbursement basis. The agreement is set out in paragraph 313.
186. Teachers volunteer for a minimum of two years' service. In July, 1957, all schools were fully staffed with 82 teachers employed (88 in February, 1958). Pupils approximated 2,500. Enrolments in adult evening classes in Darwin and Alice Springs in 1957 totalled 359. (Paragraphs 314-316.)
187. The agreement has worked most satisfactorily since its inception and though, as the Territory develops, this method of farming out an important function may obstruct the path of the people in their march to self government, we suggest the time is not yet opportune for a change. (Paragraph 317.)

The Mines Branch.

188. The Auditor-General's comments on accounting and control have also been critical and the Director of Mines told us of the steps being taken to correct the situation. He also said that the Branch was still not functioning as it should, one reason being the difficulty in obtaining suitable staff. (Paragraphs 319-320.)

The Water Use Branch.

189. This branch was established in 1955 to survey and investigate the development, control, and the administration of the water resources of the Territory. (Paragraph 321.)

190. The Director was appointed in October, 1955, but was without staff to assist him until early in 1957. By July, 1957 a temporary draftsman and a temporary clerk had been added to the staff and the Public Service Board had established eight permanent positions. In February, 1958 the staff totalled thirty-two. (Paragraph 322.)
191. Your Committee note the substantial time which passed before staff was obtained to enable this Branch to function. (Paragraph 323.)

The Agriculture Branch.

192. The functions of the Branch are set out in paragraphs 324. Your Committee inspected experimental projects of the Branch at Katherine and Humpty Doo. (Paragraph 324.)
193. We were told that staff shortages were seriously curtailing the work of the Branch and that it was also in urgent need of buildings. (Paragraphs 325-326.)
194. When inspecting the Katherine project, we also visited the C.S.I.R.O., research station. The Director of Plant Industry informed us that his Branch was not always told of the results of C.S.I.R.O. research, and that there was room for more collaboration. This is a matter which might be examined by the Administration and C.S.I.R.O. The Agriculture Branch may also impinge upon the functions of the Animal Industry Branch. (Paragraph 327.)
195. Your Committee discuss increases in expenditure by the Branch in 1956-57. (Paragraph 328.)


Transport.

196. Transport arrangements for the Administration were investigated in 1954 by Mr. A.M. Greig of the Department of Supply and Your Committee include his recommendations in Appendix No. 12. (Paragraph 329.)
197. Your Committee found in July, 1957 that central control of Administration transport was still then undeveloped. By January, 1958, however, the Administrator was able to inform us that much work had been done towards the establishment of a transport pool in Darwin. (Paragraphs 330-332.)
198. Your Committee also discuss centralising the work of maintaining and servicing Commonwealth vehicles in Darwin. At present this work is carried out by various establishments. (Paragraph 333.)
199. The Administration proposes to erect a new transport workshop estimated to cost £77,000 although the Department of Works has, we understand, recently completed a large workshop which is now in use. (Paragraph 334.)
200. Your Committee suggest that before construction of the Administration workshop is commenced a full investigation should be made to ensure that there will not be any unnecessary duplication of facilities. (Paragraph 334.)

CHAPTER XV - GENERAL COMMENT.

201. Your Committee's Inquiry into the Northern Territory Administration has disclosed an unsatisfactory state of affairs. This of itself does not necessarily warrant animadverting ~~against~~^{upon} the activities of the Minister for Territories, his Department or the Northern Territory Administration. The very serious administrative situation which has existed is not of recent origin - it is a product of the Commonwealth's earlier neglect of the Territory, and more recently of the wartime dislocation. On the other hand, the achievements of the last decade are quite substantial when looked at in the context of conditions in the Territory. For what has been achieved, credit must be given to all those - Minister, the Department and the Administration - who have played a part in them.
202. However, the administration of the Territory has not been without fault. There has been too much detailed control centralized within the Department in Canberra; Departments generally have adopted a somewhat negative attitude towards the Territory and its problems, and we doubt whether the difficulties which have confronted the Administration and the branches of other departments operating in the Territory have been fully appreciated.
203. Your Committee were shocked at some of the things we saw in the Territory, and were disturbed that the situation should have been allowed to develop as it did. We would hope that, in future, departmental administrations will adopt a much more realistic approach towards the Territory and thus help it to achieve, as early as possible, full efficiency and stability in the administration of government.

For and on behalf of the Committee.


R.C. Davey,
Secretary,
Joint Committee of Public Accounts,
Parliament House,
CANBERRA .. A.C.T.

8th May, 1958.


F. A. BLAND
Chairman

Northern Territory.Receipts from Local Revenue.

	<u>1954/55</u>	<u>1955/56</u>	<u>1956/57</u>
A. <u>Probate and Stamp Duty</u>	<u>9,928</u>	<u>7,763</u>	<u>10,328</u>
B. <u>Rent and Rates</u>			
Buildings	54,462	67,188	81,678
Lands	60,386	71,645	69,702
Mines	2,176	2,993	2,332
Bores and Reserves	<u>41</u>	<u>334</u>	<u>3,178</u>
	<u>117,065</u>	<u>142,160</u>	<u>156,890</u>
<u>Health Rates</u>			
Alice Springs	6,884	6,601	11,030
Darwin	5,663	8,643	10,275
Katherine	1,028	874	1,070
Tennant Creek	<u>2,169</u>	<u>1,994</u>	<u>1,973</u>
	<u>15,774</u>	<u>18,112</u>	<u>24,348</u>
<u>Water Charges</u>			
Alice Springs	1,602	5,171	5,094
Darwin	8,614	21,248	23,173
Elliott	127	130	236
Katherine		240	605
Newcastle Waters		<u>7</u>	<u>10</u>
	<u>10,343</u>	<u>26,796</u>	<u>29,118</u>
Total Rent, Health Rates & Water Charges	<u>143,152</u>	<u>187,068</u>	<u>210,356</u>
C. <u>Electricity</u>			
Alice Springs	47,669	45,878	66,817
Darwin	194,341	239,786	280,811
Katherine	11,789	11,866	13,047
Tennant Creek	10,794	12,426	14,517
Disposal of scrap copper	<u>376</u>	<u>1,202</u>	<u>15</u>
	<u>264,969</u>	<u>311,158</u>	<u>375,207</u>

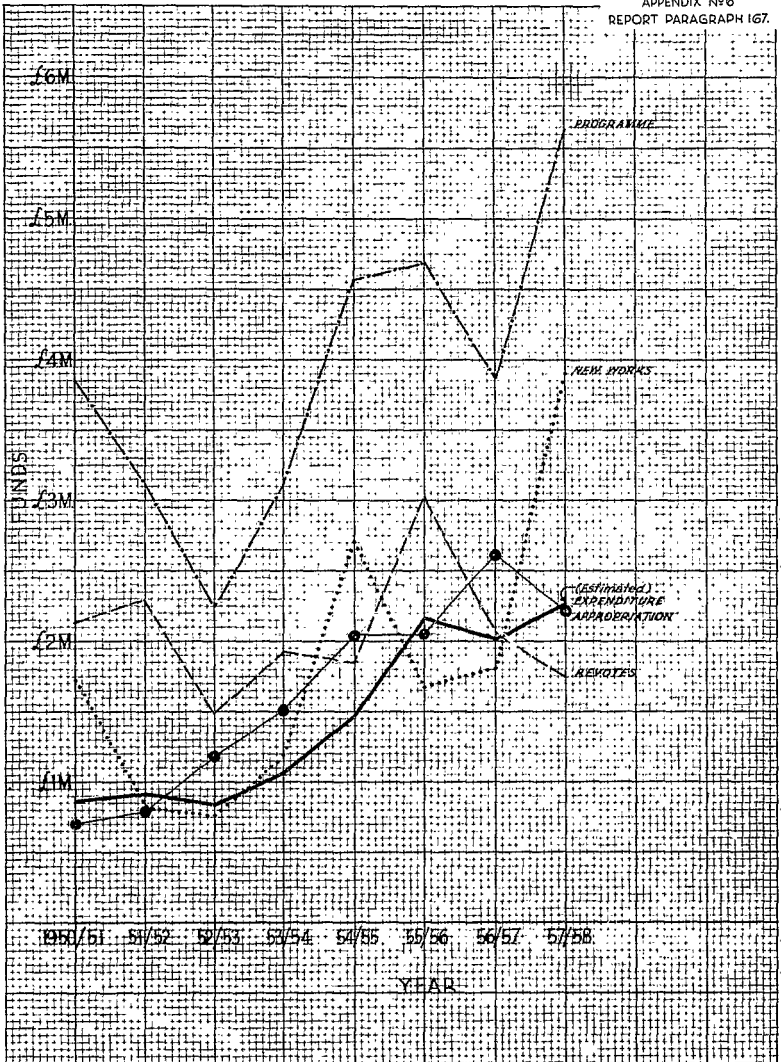
	<u>1954/55</u>	<u>1955/56</u>	<u>1956/57</u>
D. <u>Motor Registration</u>	<u>34,694</u>	<u>41,528</u>	<u>42,994</u>
E. <u>Attorney General</u>	<u>10,183</u>	<u>24,383</u>	<u>11,898</u>
F. <u>Miscellaneous</u>			
Berthing Fees	-	-	7,060
Gold Stores	30,911	28,376	32,445
Crushing Fees	134	320	826
Dingo rates	7,029	6,639	6,075
Dipping Fees	2,000	5,242	5,411
Drought Relief - Principal	500	564	2,128
Electrical mechanics' licence fees	25	35	53
General Rates	-	7	1
Hire of Wharf handling equipment	-	-	5,364
Insurance commission	310	290	360
Meat Inspection fees	2,895	4,860	3,538
Pilotage fees	460	505	1,015
Port Dues	-	-	1,850
Primary Production - Encouragement of (repayments of principal and interest)	2,133	1,951	2,953
Registration and licence fees	26,828	27,248	32,194
Repayment - Appropriation of former years	10,360	4,810	4,943
Royalty on Minerals and Gold	-	13,411	50,033
Sale of Bores	-	-	7,327
Sale of Farm Produce	677	864	1,811
Sale of Garbage Tins	11	10	-
Sale of Government Property	15,539	14,532	9,318
Sale of Improvements (Darwin Land Acquisition Act)	45,039	18,002	21,391
Sale of Maps	905	930	864
Sale of Miners Rights	241	179	182
Sale of Plants	388	475	493

F. <u>Miscellaneous</u> (Cont'd)	<u>1954/55</u>	<u>1955/56</u>	<u>1956/57</u>
Sale of Vaccines	1,466	2,195	2,219
School Fees - Evening Classes	-	468	401
Sundries	20,630	9,172	26,661
Tin Concentrates - Advance (Repayments of Principal & Interest)	39	34	-
Unclaimed Balance	31	6	2,264
Watering of Stock Routes	-	417	5,884
Water Tapping Fees	465	610	554
Weighbridge Collections	-	268	571
Wharfage Dues	<u>8,970</u>	<u>22,263</u>	<u>20,243</u>
	<u>£187,914</u>	<u>£164,683</u>	<u>£256,432</u>
 Total Northern Territory Revenue	 <u>£642,912</u>	 <u>£736,583</u>	 <u>£907,215</u>

DIVISION 61 WORKS PROGRAMMES & EXPENDITURES

— 1950/51 TO 1956/57 —

* APPENDIX N°6 *
REPORT PARAGRAPH 167.



Report Paragraph. 182.

ADMINISTRATIVE AND CLERICAL OFFICERS ASSOCIATION

(COMMONWEALTH PUBLIC SERVICE)

SOUTH AUSTRALIA BRANCH

NORTHERN TERRITORY SECTION.

STATEMENT PRESENTED TO THE JOINT PARLIAMENTARY COMMITTEE FOR PUBLIC ACCOUNTS
15.7.1957.

The general inefficiency of the Public Service in the Northern Territory can be attributed to the following

- (a) Shortage of staff, including shortage of trained staff,
- (b) The high rate of staff turnover, and
- (c) the loss of efficiency because of climatic conditions and the lack of amenities.

Staff Shortage.

In some offices the ratio of temporary employees to permanent officers is still as high as 40%. This figure allows for temporary employees occupying temporary positions.

Besides a general shortage of staff, the big difficulty lies in obtaining trained staff. Very few officers are prepared to come to the Northern Territory with a promotion of only one or two ranges. Consequently, the standard is below that found in offices in southern centres.

Staff Turnover.

In one office alone in one year a staff turnover of two and one half times was observed. In one Department the turnover was as high as 130% in one year.

Climatic Conditions.

Little effort has been made to offset adverse climatic conditions which result in a lower output than is desirable.

Lack of Amenities.

This factor is particularly noticeable in

- (a) the office,
- (b) the home, and
- (c) the environment generally.

There has been no evident attempt to bring into operation the standard Office Amenities Code laid down by Cabinet in 1946.

Most houses are lacking such essentials as fly-wiring, cooling systems (fans), hot water services and washing machines. Refrigerators are provided on a rental basis.

In the towns, poor shopping facilities, lack of entertainment and recreational facilities cause an acute sense of loss. Neither Darwin nor Alice Springs has a public swimming pool.

Medical services are inadequate. This is no reflection on the Department of Health which is seriously hampered by staff shortages.

The cost of living especially in the Northern area is extremely high.

Education facilities are limited.

All these conditions impose such a burden on an officer and in particular on his wife as to make them most unsettled with the result that most officers regard their service in the Northern Territory as being of a temporary nature only. Most resignations result from pressure from an officers' wife to move to more congenial surroundings. Many officers are only too keen to accept transfer to southern centres on a reduced salary because of this. Those who are unable to obtain a removal to the South regard themselves as being condemned to a life of penal servitude.

Recommendations.

This Association representing 85% of officers of the Public Service in the Northern Territory considers that the Service and the people of Australia would be better served if permanent officers could be enticed to come to the Northern Territory to settle down. It therefore recommends

- (a) that all homes have as standard fittings
 - (1) refrigerator,
 - (2) fly-wiring,
 - (3) overhead fans or where practicable air-conditioning,
 - (4) washing machines,
 - (5) hot water service;
- (b) that office amenities be substantially improved;
- (c) that annual recreation leave be made possible;
- (d) that recreational facilities be provided including, as a matter of urgent necessity, swimming pools;
- (e) that a resident Public Service Inspector be appointed for the Northern Territory;
- (f) that greater assistance be given for home purchase;
- (g) that increased taxation concessions be granted - this would have the effect of encouraging private enterprise which is so essential for the development of the Territory.

Visits made to the Northern Territory by the Chairman of the Public Service Board and Officers of the Board between October, 1955, and March, 1958.

<u>Name:</u>	<u>Designation</u>	<u>Period of Visit</u>	<u>Purpose of Visit</u>	<u>Centres Visited</u>
Mr. B.C. Loughnan	Assistant Inspector (Methods)	8.10.55 to 21.10.55	Section 17 investigation of accounting, N.T. Administration.	Darwin
Mr. J. Maher,	Investigator (Methods)	23.10.55 to 10.11.55	Section 17 investigation into Records, N.T. Administration.	Darwin
Mr. E.E. Crichton	Inspector (Industrial and Arbitration)	27.11.55 to 1.12.55	Negotiations with F.A.W.U. on adjustments of Pay rates, R.T. Hospitals	Darwin
Mr. M.L. Kelly	Inspector (Industrial and Arbitration)	23.3.57 to) 24.5.57) 1.6.57 to) 10.6.57)	Arbitration proceedings before N.T. Police Tribunal.	Darwin
Sir William Dunk, C.B.E.	Chairman of the Board	18.6.57 to 23.6.57	General review of developments, staffing and conditions and discussions with senior officers and representatives of Associations.	
Mr. L.O. Brown	Assistant Commissioner	2.7.57 to 20.7.57	Attending meetings of Parliamentary Public Accounts Committee. Discussions on organisation and staffing.	Darwin Katherine Rum Jungle, Humpty-Do.
Mr. J.E. Collings	Assistant Commissioner	26.8.57 to 7.9.57	General review and inspection.	Darwin, Alice Springs, Tennant Creek, Katherine, Snake Bay, Beswick, Jay Creek.
Mr. T.G. Jones	Public Service Inspector, N.T.	1.2.56 to 3.3.56	Inspection and investigation of organisation and staffing interviews, general review.	Darwin, Tennant Creek, Alice Springs, Delissaville.

<u>Name:</u>	<u>Designation</u>	<u>Period of Visit</u>	<u>Purpose of Visit</u>	<u>Centres Visited</u>
Mr. T.G. Jones	Public Service Inspector, N.T.	10.6.56 to 27.7.56	Inspection and investigation of organisation and staffing and staffing interviews, general review.	Darwin, Tennant Creek, Alice Springs, Katherine, Snake Bay, Hooker Creek, Delissaville.
		18.10.56 to 23.11.56	"	Darwin, Tennant Creek, Alice Springs, Haast's Bluff, Yuendumu, Areyonga, Jay Creek.
		11.3.57 to 13.4.57	"	Darwin, Alice Springs, Katherine, Beswick, Snake Bay.
		26.8.57 to 27.9.57	"	Darwin, Tennant Creek, Katherine, Alice Springs, Beswick, Snake Bay, Delissaville, Jay Creek.
		2.2.58 to 2.3.58	"	Darwin, Alice Springs, Tennant Creek, Haast's Bluff, Yuendumu.

PROPOSED COURT HOUSE POLICE STATION, OFFICE AND STORE,
TRACKERS' QUARTERS, CELLS, GARAGE AND SEPTIC SYSTEM AT KATHERINE.

Chronological record of the proposal to April, 1957.

First included on the proposed draft works programme for 1953/54 as item 66 - programme provision £15,000.

- 23/ 7/53 - Determining priorities of design, the Government Secretary gave this proposal architectural design priority No. 32.
- 30/ 7/53 - At a conference between His Honour, the Administrator, the Government Secretary and Director of Works, it was decided that until the funds position was known only the first 20 priorities would receive consideration.
- 4/ 8/53 - This information was conveyed to the Superintendent of Police, in reply to a request from him that planning commence on the proposal (Appendix "A"). The proposal was not included in the approved works programme for 1953/54.
- 1/ 3/54 - Included in the draft works programme 1954/55, item 9 - £20,000.
- 2/ 9/54 - The programme subsequently approved by the Cabinet Committee on Works excluded this project.
- 19/11/54 - Included as Item 3 on a list of additional works proposed for 1954/55.
- 3/12/54 - Acting Government Secretary advised a requisition for £20,000 had been forwarded to the Director-General of Works pending Cabinet Sub-Committee of Works approval to include as an additional item on the 1954/55 programme.
- 22/12/54 - Additional programme approved by Cabinet Committee. Proposal included as Item 3 - £20,000.
- 28/ 2/55 - Acting Government Secretary asked "would Department of Works please advise when plans of the proposed building might be expected and whether there is any likelihood of the project being commenced this financial year."
- 2/ 3/55 - Acting Government Secretary was advised by Director of Works "we have not yet received particulars of requirements, such as size of Court House etc. If these particulars are made available early, it may be possible to call tenders before end of financial year but it is not expected actual work could be commenced."
- 4/ 3/55 - Acting Government Secretary advised Director of Works details of requirements.
- 2/ 5/55 - Director-General, Department of Works, advised Director of Works, Darwin, requisition held and requested urgent advice whether tenders could be called and project committed prior to end of financial year 1955/56.
- 20/ 5/55 - Sketch plan made available to Acting Government Secretary.
- 1/ 6/55 - Director of Works advised Director-General of Works sketch plan with Administration for approval. Tenders could not be called before end of financial year.
- 6/ 6/55 - Director-General advised Secretary, Department of Territories, (Appendix "B") that tenders could not be called in 1954/55 and that provision should be made for inclusion of this proposal in the 1955/56 Works Programme.

- 23/ 6/55 - Acting Government Secretary was advised by Director of Works, Darwin, as above (Appendix "G"). Included as Item 3A (£20,000) Draft Programme 1955/56, not included in approved programme 1955/56.
- 19/ 7/55 - Director-General advised Secretary, Department of Territories, that no provision had been made in the 1955/56 Works Programme for this proposal he was returning his requisition of £20,000.
- 7/ 3/56 - Included in Approved Design List "A" as Item 3 - £25,000.
- 20/ 3/56 - Draft Works Programme 1956/57 received. Included as Item 3 - £25,000.
- 22/ 6/56 - Administrator forward to Secretary, Department of Territories, and Director of Works a revised draft programme for 1956/57. This was necessary to include items from the 1955/56 programme which were not proceeded with, in accordance with the then existing Government restrictions. Cabinet Decision No. 90GW of 13/3/56 refers. Amended programme included this proposal as Item 39.
- 9/ 8/56 - Approved New Works Programme 1956/57 received, and although this proposal was included on Design List "A" 1955/56 it was not included in the approved programme.
- 21/ 8/56 - Director of Works suggested additional programme for Administration for 1956/57. The items included in this programme were not necessarily of the highest priority but those which had reached a sufficient advanced stage of design to enable work to be undertaken this financial year. This proposal was not included in this list.
- 25/ 8/56 - Suggested additional programme forwarded by Administrator to Secretary, Department of Territories. It included this proposal as Item 29.
- 13/ 9/56 - Amended programme 1956/57 received. It included this proposal as Item 39 - £25,000.
- 11/10/56 - Administration were advised of proposed building design priority list and anticipated date for calling tenders of proposals on the approved programme. This proposal was afforded a low priority and at that stage it was not possible to set an estimated target date for calling tenders.
- 10/ 4/57 - At a review of proposals in the design stage on the approved programme, it was determined that it would not be possible to complete planning of this project in time to commit it to tender in 1956/57. It was therefore referred back to Administration for inclusion in their 1957/58 draft programme.
- 26/ 4/57 - Included on draft programme for 1957/58 at an estimated cost of £38,500. The programme estimate for 1957/58 is based on brick construction and includes beautification of the area, which was not included in previous programme estimates. Previous estimates allowed for timber construction. Final details of requirements for this project are at present being determined with His Honour, Justice Kriewaldt, and the Superintendent of Police.

ESTIMATES OF COSTS PREPARED BY DEPARTMENT OF AIR
FOR COMPLETION OF DARWIN AIRFIELD BY
NO. 5 A.C.S.

Item	24.2.55	8.3.56	21.5.57	28.2.58
	£	£	£	£
* Materials and Services being supplied by Department of Works	282,000	568,000	935,000	1,459,000 ^ø
Freight on Crushed Stone	-	175,000	265,000	-
Transport of Squadron and Plant	75,000	95,000	100,000	101,000
Fuel and Lubricants.	205,000	235,000	189,000	110,000
Cost of Plant (Plant Hire Charges)	283,000	303,000	314,000	370,000
Maintenance of Squadron	1,225,000	990,000	1,129,000	1,084,000
Contingencies	-	-	-	8,000
	<u>2,070,000</u>	<u>2,366,000</u>	<u>2,932,000</u>	<u>3,132,000</u>

* Estimate prepared by Department of Works

^ø Includes freight on crushed stone

INTERNAL AUDIT.

Statement submitted by the Northern Territory Administration explaining the efforts made to fill the position of Senior Internal Auditor in 1956.

During 1955 the Minister drew attention to criticism by the Auditor-General regarding the Northern Territory Administration. It was considered by the Northern Territory Administration that to remove some of the causes of this criticism and to procure more satisfactory administration the filling of the position of Senior Internal Auditor must receive special attention.

On the 8th March a telegram in the following terms was despatched to the Department of Territories :-

"Becoming increasingly concerned as financial year draws to last quarter at complete absence internal audit notwithstanding Auditor-General's past strictures stop in absence of P.S.B. approval of an organisation and appointment competent staff this Administration cannot comply with Minister's requirements re Auditor-General's criticism stop suitable applicant available from staff Auditor General in Darwin for Senior Internal Auditor on range proposed and granted before Loughnan report stop could you please procure Board approval proceed appointment on that classification if likely any delay consideration higher classification proposed by Loughnan".

The background of this proposal was that following on a report by a Board officer, Mr. Loughnan, the Accounts establishment, including the position of Senior Internal Auditor, was being reviewed at that time. From local discussions it was understood that a member of the Auditor-General's staff in Darwin might be prepared to take the existing position of Senior Internal Auditor. On the same day telegraphic approval was received to fill the position. On the 10th March, formal recommendation was made by the Administrator for the appointment of the officer concerned. The last paragraph of the recommendation read: "With so little of the present financial year remaining in which to get an internal audit section into operation, there is the added advantage in the case of Mr. X that he is already in Darwin and there should be reasonable prospects of the Auditor-General releasing him quickly in view of the Auditor's criticism of the absence of internal audit in this Administration".

Nothing happened for some time and as a result on the 2nd May, the Administration sent a telegram in the following terms to see whether temporary help might be obtained from the Auditor-General by secondment of the officer if the hold-up was due to reluctance on the part of the officer permanently to transfer from the Auditor-General's staff or reluctance on the part of the Auditor-General :-

"Could you pursue with Auditor-General possibility secondment X for up to one year to occupy position Senior Internal Auditor to get new Section working and give us time to recruit or train suitable successor stop X will leave himself in Auditor-General's hands on question secondment X".

On the 16th May, the Department replied :-

"Discussed with Secretary and Chief Inspector who informs me that X is definitely unwilling transfer to Administration either on promotion or secondment stop in circumstances Auditor-General does not feel able consider enforcing transfer of unwilling officer or that there would be any real advantage to us if he did".

On the same day a reply was sent to the Department of Territories after discussion with the officer, in the following terms :-

"Have discussed matter secondment with X today stop X will telegraph Auditor-General to confirm that if Auditor-General agreeable second him for six months to act as Senior Internal Auditor he will be willing on strict assurance we give that he return to Commonwealth Audit not later than six months stop if Auditor-General agreeable this recommend cancellation provisional promotion and re-advertise position with house available".

On the 22nd May after provisional promotion of the officer concerned had been gazetted, the Secretary, Department of Territories wrote to the Public Service Board in the following terms :-

"I refer to the letter dated 28th March, 1956, forwarded by X to the Public Service Inspector, Canberra, requesting permission to decline the above provisional promotion.

As you are aware this Department has been very concerned regarding provisions for internal audit in the Northern Territory and discussions regarding the relevant organisation have been taking place. You are also aware of the difficulty the Department has had in filling the position of Senior Internal Auditor already approved by the Board. In view of these difficulties and the criticisms already levelled at the Department by the Auditor-General I could not support the application by Mr. X for permission to decline his promotion.

Should the Board however, approve of this application by Mr. X it would be appreciated if the position could be advertised in the Gazette again as quickly as possible. In this connection I attach a draft advertisement."

On the 31st May, 1956, advice was received that the Public Service Board had cancelled the provisional promotion and advised that it would be advertised in the next Gazette.

On the 9th August a suitable applicant was recommended for appointment.

On the 28th September the Department advised the Administration that there had been no appeals and that release from his previous employment had been requested by the 24th October. The officer arrived on the 22nd October, 1956 and on the 26th November commenced acting as Accountant. It was never possible to return him to his substantive position and in due course he was promoted permanently to the position of Accountant. On the promotion of this officer the vacancy was again advertised.

10th July, 1957.

REPORT BY A.B. GREIG, M. INST. T. (ENG)
ON ADMINISTRATION TRANSPORT

Report Recommendations

1. Officers to be encouraged to use their own vehicles under C.P.S. Regulation 90.
2. Tenders to be called for the collection of garbage at Darwin and a period contract let.
3. Tenders to be called for a 24 hour motor vehicle towing service, a period contract to be let and the existing tow trucks sold.
4. The carriage of workshop personnel to and from work be done by an extension of the public transport system and the 1934 model bus used for this purpose to be sold.
5. Tenders to be called throughout Australia by Dept. of Supply to -
 - (i) Provide a bus service for public transport in Darwin and suburbs to time tables and on routes laid down by the N.T.A.
 - (ii) Transport children to and from school at times and on routes laid down with the maximum loading of school children per bus being twice the seat capacity of the bus, and that tenders be called on an alternative basis of -
 - (a) Straight out provision of the bus service.
 - (b) Purchase of existing bus fleet and provision of bus service,
 - (c) Hiring of the existing buses from the Administration and provision of a bus service.
6. Private enterprise be encouraged to commence an undertaker's business in Darwin and Alice Springs.

Action taken by the Administration

This matter is still in the process of investigation following the detailed arrangements to establish the Transport Pool in Darwin and its effect upon the use of private vehicles under Regulation 90. Approvals under Regulation 90 are being given subject to review when the pool is established.

This service has now been taken over by the Darwin Municipal Council.

This matter was deferred, as with the establishment of the Transport Pool, it is considered possible that with the drivers being available at call, a break-down service can be manned and so save outside costs.

Now in operation.

Recommendations in regard to this matter are under consideration and decisions are to be reached before the end of the present financial year.

Several attempts have been made to interest private enterprise in commencing undertaking business in Darwin, without any satisfactory result as yet.

- | | |
|--|--|
| 7. All future purchases of vehicles to be a fixed programme of standardisation. | Now in operation. |
| 8. All new vehicles be purchased through the Director of Contracts, Department of Supply, Melbourne. | Now in operation. |
| 9. A programme be developed for the regular replacement of vehicles with an approximate equal number being replaced each year. | Now in operation. |
| 10. Approval of the Treasury be sought to create a Northern Territory Transport Trust Account, into which payment would be made from the sale of vehicles and spare parts, plus an annual appropriation for the depreciation of all vehicles, and this fund be used for the regular replacement of all vehicles. | Proposals are at present with Treasury for consideration. |
| 11. That fifteen immobile vehicles be sold and no replacements purchased. | Recommendation accepted and has been carried out. |
| 12. Additional vehicles be purchased for the Police Branch at Finke River and Daly River, for the Prison's Branch at Alice Springs and for the electricity at Alice Springs. | Recommendation accepted and has been carried out. |
| 13. The long term aim to be the establishment of motor vehicle pools when practicable. | Administrative arrangements have now been completed for the establishment of a Central Transport Authority and Transport Pool in Darwin, and are at present in course of implementation. It is proposed progressively to apply the Pool system to other centres in the Territory as the organisation develops and facilities become available. |
| 14. When the position of Transport Officer is filled, the qualifications should emphasise administrative skill and management ability rather than engineering. | A Transport Officer of a suitable type has now been appointed. |
| 15. The requirement for additional vehicles and the type of vehicles required within the standard makes shall rest with the Head of the Branch concerned, with the Transport Officer acting in an advising capacity. | Now in operation, except that decisions on proposals developed in this way rests with the Administrator, or according to the size of the financial commitments, with the Minister for Territories. |
| 16. The Transport Officer shall be responsible for co-ordination of additional requirements for the standardisation of makes and for the regular replacement of vehicles at the end of their economic life. | Now in operation, except that decisions on proposals developed in this way rests with the Administrator, or according to the size of the financial commitment, with the Minister for Territories. |

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|--|--|
| 17. Officers working on overtime on Saturday be rostered for Saturday morning duty within their 40 hr. week. | Not applicable as with the re-organisation of the Transport System, need for Saturday overtime has disappeared. |
| 18. Repair and repainting of motor vehicles and other equipment to be let out to private enterprise by calling tenders and letting a period contract and this be done through the Department of Supplies District Contract Board in Adelaide. If this is done then work-shop plant and equipment becoming surplus to requirements be sold; the spare parts store maximum stock holding to be fixed at £5,000 and the surplus stock above this total to also be sold. | This recommendation was not accepted. At present repair and reconditioning are being carried out in the Transport Depot, save where it is beyond the capacity of plant and labour, when private enterprise is engaged. |
| 19. Tyres and tubes be purchased direct from the distributors at the Department of Supply Contract rates rather than developing large stock holdings of these items. | Now in operation. |
| 20. Before the present Transport Officer retires in August 1956, a suitable officer be selected and trained in transport management. | See remarks against Recommendation No. 14. |
| 21. A standard system of preventative maintenance, servicing and lubrication at regular intervals of 1,000 and 4,000 miles be introduced immediately. | Now in operation. |
| 22. Future policy should be for the Administration to undertake lubrication, servicing and inspection of all vehicles with workshop work being done by private enterprise. | See remarks on Recommendation No. 18 above. |
| 23. Future policy be to provide lock up garage for all motor vehicles. | This recommendation is inherently a part of the Transport Pool System and as soon as the system is introduced, vehicles will be garaged in the Transport Depot overnight and at weekends. |
| 24. A site to be reserved in Darwin for a Transport Depot to provide covered space for all vehicles based in Darwin being returned each evening and at weekends, for a fully equipped and modern servicing section and for the pool system to be introduced for all Branches in Darwin. | A site has now been selected in the Farap area, and the construction of the new Transport Depot is being undertaken as part of the 1957-58 Works Programme. |

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|---|--|
| 25. The requirements for the petrol bowser attendant to make out a petrol docket for each issue be discontinued. | Recommendation accepted and has been carried out. |
| 26. Specific instructions be prepared for the guidance of officers employed in connection with the accounting for and management and control of stores. Similarly for those officers engaged in the receipt of money. | Suitable instructions have been issued to all concerned. |
| 27. Details of repairs and maintenance including the cost be regularly forwarded to the Transport Officer by all Branches, in addition to the monthly return of mileage and fuel consumption. | Now in operation. |