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THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA.

JOINT COMMITTEE OF PUBLIC ACCOUNTS.

SIXTY-FOURTH REPORT.

EXPENDITURE FROM  
CONSOLIDATED REVENUE FUND  
FOR THE YEAR 1962-63.

By Authority:

A. J. ARTHUR, Commonwealth Government Printer, Canberra.  
(Printed in Australia)

JOINT COMMITTEE OF PUBLIC ACCOUNTS

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SIXTH COMMITTEE

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J. F. COPE, ESQUIRE, M.P. (Vice-Chairman)

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R. H. WHITTORN, ESQUIRE, M.P.

The Senate appointed its Members of the Committee on 4th March, 1964, and the House of Representatives its Members on 5th March, 1964.

## DUTIES OF THE COMMITTEE

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

8. The duties of the Committee are -

- (a) to examine the accounts of the receipts and expenditure of the Commonwealth and each statement and report transmitted to the Houses of Parliament by the Auditor-General in pursuance of sub-section (1.) of section fifty-three of the Audit Act 1901-1961;
- (b) to report to both Houses of the Parliament, with such comment as it thinks fit, any items or matters in those accounts, statements and reports, or any circumstances connected with them, to which the Committee is of the opinion that the attention of the Parliament should be directed;
- (c) to report to both Houses of the Parliament any alteration which the Committee thinks desirable in the form of the public accounts or in the method of keeping them, or in the mode of receipt, control, issue or payment of public moneys; and
- (d) to inquire into any question in connexion with the public accounts which is referred to it by either House of the Parliament, and to report to that House upon that question,

and include such other duties as are assigned to the Committee by Joint Standing Orders approved by both Houses of the Parliament.

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# JOINT COMMITTEE OF PUBLIC ACCOUNTS

## SIXTY-FOURTH REPORT

### EXPENDITURE FROM THE CONSOLIDATED REVENUE FUND - 1962/63

#### CHAPTER I - INTRODUCTION

Your Committee stated in paragraph 3 of the Sixty-Third Report:-

"In the Forty-First Report Your Committee noted, in Chapter II - (b), that an Order under Section 37 of the Audit Act had not been sought in the financial year 1957-58. This practice has continued as have the new procedures relating to "Advance to the Treasurer" which were based on the recommendations made in the Committee's Thirty-First Report. Also, the undertaking given by Your Committee to report to the Parliament on the Treasurer's Statement of section 36A Allocations each financial year, has been observed without fail since adoption of the new procedure."

P.P.  
No. 305  
of  
1962/63

2. In recent years a series of combined enquiries, relating to expenditure from the Advance to the Treasurer has been completed by Your Committee concurrently with a comprehensive enquiry into expenditure generally from the Public Account. However, the dissolution of the House of Representatives towards the end of 1963 did not provide sufficient time in which to complete the usual lengthy combined report for the financial year 1962-63 and the Sixty-Third Report was restricted to the enquiries relating to expenditures from the Advance to the Treasurer.

3. This Sixty-Fourth Report is based on the remaining and major portion of the evidence received in respect of expenditures from other than the Advance to the Treasurer.

4. As in previous years the Department of the Treasury made available early in July the preliminary figures for expenditure from the Public Account. Every item appearing in the Estimates and Additional Estimates was scrutinised by Your Committee, as well as all the items in the Statement of Expenditure from Advance to the Treasurer, and a large number of written explanations was received from certain departments before the end of July.

5. Consequently Your Committee were able to proceed with a series of public hearings in August. These were conducted on Monday morning and afternoon, 19th, Tuesday morning, 20th, Monday morning and afternoon, 26th, Tuesday morning, 27th August, 1963 and on Monday morning and afternoon, 9th, and Tuesday morning, 10th September, 1963.

6. Your Committee, again, are grateful for the co-operation received from Departments and for the assistance given during the hearings by observers from

the Public Service Board, Audit Office and the Department of the Treasury.

7. The following departmental officers appeared before us at these hearings:-

|                                     |  |
|-------------------------------------|--|
| Attorney-General's Department       | - Mr. L. H. W. Gibson<br>Mr. T. E. Sullivan<br>Mr. K. B. Petersson<br>Mr. P. W. O'Brien<br>Mr. J. M. Davis<br>Mr. N. E. J. Sainsbury.  |
| Department of National Development- | Mr. W. Murphy<br>Mr. W. J. Ricketts<br>Mr. G. R. L. Rimington<br>Mr. R. F. Thyer.  |
| Department of Social Services       | - Mr. F. T. Hill<br>Mr. D. V. Murphy.  |
| Department of External Affairs      | - Mr. C. T. Moodie<br>Mr. R. E. Johns<br>Mr. P. J. Sullivan<br>Mr. J. P. Walshe.   |
| Department of Works                 | - Mr. J. James<br>Mr. E. R. Harvey.  |
| Department of the Interior          | - Mr. H. A. Barrenger<br>Mr. K. P. Murphy<br>Mr. N. Murray<br>Mr. J. M. Jorgensen<br>Mr. E. J. Griffiths<br>Mr. G. B. Davis<br>Mr. R. K. Warnken<br>Mr. J. Sharpe<br>Mr. A. Wingfield. |
| Department of Immigration           | - Mr. R. E. Armstrong.   |
| Department of Supply                | - Mr. R. S. McIntyre.  |
| Commonwealth Railways               | - Mr. K. A. Smith<br>Mr. F. C. Respini.  |
| Department of Defence               | - Mr. A. G. Salisbury<br>Mr. I. R. C. Brown<br>Mr. H. W. Rushen.   |
| Department of the Navy              | - Mr. L. J. Murphy.  |
| Department of Air                   | - Mr. M. J. Madden.  |
| Commonwealth Parliamentary Library- | Mr. H. L. White.   |
| Department of Primary Industry      | - Mr. J. D. Macfarlane<br>Mr. D. P. Cleary.  |
| Department of Territories           | - Mr. B. H. Coughlin<br>Mr. L. L. Gillespie<br>Mr. H. C. Giese.  |

8. In Chapter III we list the items which were examined closely after receipt of written explanations from departments but which were considered not to warrant further oral examination. The items which were selected for further investigation at our public hearings are included in the following Chapter II of this Report.

CHAPTER II - SELECTED ITEMS WHICH HAVE BEEN THE SUBJECT  
OF ORAL EXAMINATION.

(A) Attorney-General's Department

- (1) Division No. 212-1-02 - Reporting Branch, Salaries and Payments in the nature of Salary - Temporary and casual employees.

Original Appropriation £87,500; Expenditure £97,186.

9. The over-expenditure of £9,686 against this Item was covered by the provision of £11,750 in Additional Estimates.

10. The over-expenditure resulted from a greater volume of work than had been anticipated on the part of the Reporting staff, from delays in filling permanent positions of Reporters and from a failure to introduce mechanical recording into the A.C.T. Supreme Court by the date anticipated when making the original Estimates. Exhibit  
No. 64/1

11. Mr. L. H. Gibson, Chief Reporter, Commonwealth Reporting Branch, outlined the difficulties which the Department faces when preparing an estimate for this Item and explained why an error was made in expecting a reduction in the volume of work in 1962/63 -

"(Mr. Gibson) When we are making the estimates we make enquiries as best we can from all the tribunals. We get in touch with the Conciliation and Arbitration Commission through the Industrial Registrar. I speak personally with the Senior Commissioner. We possibly make enquiries from the Chief Judge through his associate or secretary and we get in touch with the Bankruptcy jurisdictions, the Tax Boards and other tribunals. We try as best we can to form a general picture of what the work volume may be. We did know on this occasion that it was likely there would be fewer full bench sittings in the Conciliation and Arbitration Commission. There had been a heavy sitting of one bench in connection with the professional engineers' case and it appeared very likely that this heavy sitting would not be repeated in the next financial year. That was one consideration. The other was that Mr. Justice Foster's sitting was likely to be lighter than it had been, from information we got from his associates. As a result we thought that we should not allow quite so much for arbitration sittings."

Q.7

12. Your Committee were informed also that about £5,350 of the over-expenditure arose from the unexpected employment of casual reporters in permanent positions owing to the difficulty encountered with the recruitment of suitable permanent officers. The delay in introducing the mechanical recording system in the Supreme Court in Canberra resulted in estimated additional expenditure of £700 on salaries.

Q.31

13. In view of the difficulty of assessing, in advance, the extent to which the services of the Reporting Branch will be required and having regard to staffing



problems, Your Committee accept the Department's explanation.

- (ii) Division No. 212-2-02 - Administrative Expenses - Office requisites and equipment, stationery and printing.

Original Appropriation £9,100; Expenditure £8,061.

14. An additional amount of £3,200 was provided against this Item in Additional Estimates, making total under-expenditure £4,339.

15. The under-expenditure was due, in the main, to delay in installing sound recording equipment in the Supreme Court, Canberra, for which provision of £3,200 had been made in Additional Estimates. The balance of the under-expenditure was attributable to a reduction in the price of stencils purchased and minor savings on other purchases. Exhibit No. 64/1

16. The Commonwealth Stores Supply and Tender Board was asked to call tenders for the sound recording equipment in September, 1962, but, due principally to delays related to specifications details, the contract was not let until 24th May. It was not then possible for the equipment to be installed and fully tested in accordance with Tender Board requirements in time for payment to be effected prior to 30th June, 1963. Q's 71 to 79

17. Your Committee accept the explanation offered in this instance as the Department appears to have been justified in assuming, at the time the Additional Estimates were settled, that the equipment could have been installed and paid for by the end of the financial year.

- (iii) Division No. 218-2-02 - Patents, Trade Marks and Designs - Administrative Expenses - Office requisites and equipment, stationery and printing.

Original Appropriation £18,000; Expenditure £14,063.

18. The under-expenditure of £3,937 was stated to have arisen because certain orders for stores were outstanding at 30th June, 1963, and because some accounts were received late from the Government Printing Office. In addition, the demand for photographic supplies was considerably less than that provided for. Exhibit No. 64/1

19. In evidence, Mr. K. B. Petersson, Commissioner of Patents, admitted that it was normal for some accounts to remain outstanding at the close of a financial year and that the amount outstanding at the end of June, 1963, was only a little in excess of normal. Q's 90 to 92

20. Mr. Petersson explained that expenditure on photographic supplies is directly related to public demand for copies of specifications lodged with patent applications. This demand has fluctuated very considerably during the last two financial years because of amendments to legislation governing the period after which specifications become open to public inspection. The under-expenditure on photographic Q.94 Q.103

supplies in 1962/63 amounted to about £2,000.

21. We appreciate the Department's difficulties in estimating the demand for copies of specifications but consider that sufficient allowance was not made for the orders and accounts which could be expected to remain outstanding at the close of the financial year. We look forward to some improvement in the Department's estimating in this regard.

(iv) Division No. 222-1-03 - Commonwealth Police Force - Salaries and Payments in the nature of Salary - Extra duty pay.

Original Appropriation £88,800; Expenditure £114,169.

22. The over-expenditure of £25,369 was covered by the provision of £25,400 in Additional Estimates.

23. Much of the additional extra duty pay was incurred as a result of the Department's inability to raise the strength of the Commonwealth Police Force to a satisfactory level. At 30th June, 1963, the Force was 46 below the approved establishment. Approximately £3,600 of the over-expenditure resulted from unforeseeable activities which required the attendance of members of the Force and resulted in increased overtime payments. The unforeseen commitments included the Royal Tour by Her Majesty, Queen Elizabeth, the visit of the King and Queen of Thailand, the F.M.G. Royal Commission in Victoria and a number of International gatherings.

Exhibit  
No. 64/1

24. Referring to recruitment difficulties, Mr. J. M. Davis, Acting Commissioner, Commonwealth Police Force, stated that, following salary increases late in 1961, the Department had been confident that vacancies would be reduced from 37 to 7 during 1962/63 -

"Member - Would not these difficulties and delays be known to you before this Additional Estimate was sought?....

(Mr. Davis) Not in the light of the history of the Commonwealth Police Force. The Act was promulgated only on 20th April, 1960. In September, 1961, we did obtain a new determination for our officers under which they received an increase in salary in all ranks. We felt confident that by advertising, which we did, our recruitment would be stepped up and we would have reduced the vacancies, which totalled 37 at the beginning of the financial year, to about seven."

Q.106

25. As regards the international conferences and Royal visits, we were advised that the Commonwealth Police Force is dependent upon various organisations and departments for details of coming events which require attendance of members of the Force. It would appear that relevant departments do not always give reasonable notice of such events -

Q.121

"Member - My point was that the departments which are responsible for those conferences obviously should give your Department advance notice as far as possible of obligations.

Is there any recognised channel of communication in this regard?.....

(Mr. Davis) No. The recognised channel is an application either to the Commissioner of the Commonwealth Police Force or to the Secretary of the Attorney-General's Department. Generally departments act with consideration to us, but being a service department we have to provide a service."

Q.121

26. Your Committee accept the explanations but express the hope that the Department in future will obtain the fullest co-operation necessary from other departments to enable the demand for the services of the Commonwealth Police Force to be assessed more accurately.

(v) Division No. 855-01 - Buildings, works, fittings and furniture.

Original Appropriation £175,000; Expenditure £89,103.

27. Of the under-expenditure of £85,897 an amount of about £60,000 related to delays associated with the construction of the Supreme Court Building in Darwin and approximately £11,000 was due to an inaccurate estimate of the cost of additions to an office building in Melbourne. The balance of the under-expenditure occurred principally in New South Wales where there was some delay in lodging requisitions for furniture and fittings and in other works of a minor nature.

Exhibit  
No. 64/2

28. Contract documents for the Supreme Court Building in Darwin were prepared by a Melbourne Consultant who was unable to meet the target date for completion of documentation. The necessity to negotiate with the tenderer on certain aspects of his tender also delayed construction. Mr. J. James, Assistant Director-General (Construction), Department of Works, informed Your Committee that a single large project such as that in Darwin presents special difficulties as regards estimating progress -

Exhibit  
No. 64/2

"(Mr. James).....A large job by itself is very hard to estimate. If you have a group of jobs you can estimate that some will go a bit better and some a bit worse. Because of its size a large job has special difficulties. If you are late in going to tender you lose something or if you take longer to investigate the tender you lose something. We can only estimate those things on averages and with one particular job, if it falls below average, it can mean a loss."

Q.159

29. The inaccurate estimate of the cost of additions to the Melbourne property was due to the fact that when preliminary sketch plans were prepared it was not realised that the original single storey building had a concrete ceiling which allowed for future upwards extension. Mr. James admitted some responsibility on the part of the Department of Works in this matter -

Exhibit  
No. 64/2

"(Mr. James).....We were responsible for building the original building, and it was something of a failure on our part for somebody not to have remembered that the

Q.167

building was constructed in that particular way."

30. Referring to the delay in lodgment of requisitions for furniture and fittings in Sydney, Mr. N. E. Sainsbury, Assistant Secretary, Administration and Finance, Attorney-General's Department, stated that provision had been made for new furniture on the assumption that the Department would occupy a new area in Phillip House prior to June, 1963. Mr. Sainsbury stated that provision of funds for this purpose probably should not have been made in 1962/63. Q.163

31. Your Committee accept the explanation given in respect of the Supreme Court Building in Darwin but consider that more care should have been exercised in preparing estimates for building extensions in Melbourne and the purchase of furniture for the Sydney office.

(B) Department of National Development

- (i) Division No. 411-2-05 - Administrative Expenses - Documentary films - Production and distribution costs.

Original Appropriation £20,000; Expenditure £10,822.

32. Provision was made in 1962/63 for the completion of a film on Mineral Development, commenced in 1961/62, and for the production of six short films on development topics, primarily for use on television. Production was delayed mainly by adverse weather on film locations and the need for a more elaborate scripting treatment than was originally envisaged. Due to the pressure of other commitments the Commonwealth Film Division found that it was unable to handle all of the photography provided for in the estimate and it was necessary to have two films handled by outside contractors. Exhibit No. 64/3

33. Mr. W. J. Ricketts, Senior Executive Officer, Department of National Development, assured Your Committee that, prior to framing the 1962/63 estimate, the Department had satisfied itself that the programme of films could be handled by the Film Division of the Department of the Interior within the stipulated time -

"Member....What steps did you take to see whether the Department did in fact carry out this work and get it done in the time you stated?.....(Mr. Ricketts) There was one film which was a continuing production and we had in hand also a programme of five films. When the programme of the five films was being thought about we wrote to the Department of the Interior. Once we had clarified the subjects we wanted to deal with we had a conference with the Department of the Interior, which included the Director and the Officer-in-charge of the Film Unit. We discussed the sort of programme we might be able to carry out and the time in which we might be able to carry it out. Resulting from this conference it was agreed that we should produce these films within the financial year. In actual fact a tentative date of December Q.177

1962 was fixed."

34. Your Committee accept the explanations given on this occasion but trust that the Department, when making estimates in future for this Item, will bear in mind the probability of unexpected delays occurring and, at least, assure the arrangements are completed as far as practicable for scripts to be available on schedule.

- (ii) Division No. 412-1-03 - Division of National Mapping - Salaries and Payments in the nature of Salary - Extra duty pay.

Original Appropriation £25,000; Expenditure £26,768.

35. The over-expenditure of £1,768 was covered by the provision of £2,000 in Additional Estimates.

36. Referring to over-expenditure under the appropriation the Department's written explanation stated -

"Because of the difficulty in recruiting suitable drafting staff for vacant positions in the Division of National Mapping, overtime in addition to that originally estimated was necessary in order to comply with a request of the Department of Civil Aviation to double the rate of revision of existing aeronautical charts and the issue of new charts as required under international agreements. Some additional overtime was also necessary in the Photolitho Section; the work load of this section is directly related to the output of maps."

Exhibit  
No. 64/3

37. Mr. G. R. Rimington, Acting Director, Division of National Mapping, advised Your Committee that drafting staff employed by the Division must possess special qualifications. In Australia this type of work is peculiar to the Division of National Mapping and State authorities. In spite of continued efforts to recruit staff, 19 positions remained vacant at the end of June, 1963, out of a total establishment of 107. The position is likely to improve shortly with the appointment of 11 new officers.

Q.189

Q's 190  
to 192

38. Mr. Rimington stated that the issue and revision of aeronautical charts is a commitment in terms of an international agreement and, as it had not been possible to carry out our programme in recent years, the task had become one of great urgency. Additional overtime had, therefore, to be worked by the available staff during 1962/63.

Q.196

39. Your Committee recognise the urgency of the Division's commitments and accept the explanation.

- (iii) Division No. 413-2-07 - Bureau of Mineral Resources - Administrative Expenses - Publications.

Original Appropriation £40,000; Expenditure £16,248.

40. The total publications programme for 1962/63 was £78,250, made up of new proposals (£54,450) and

liabilities brought forward at 1st July, 1962 (£23,800). Expenditure against liabilities brought forward amounted to only £12,300 and, as a result of staffing difficulties associated with the preparation and editing of material for publication, expenditure on new commitments did not exceed £4,000, making total under-expenditure £23,752.

Exhibit  
No. 64/3

41. In respect of the under-expenditure on commitments brought forward, Mr. R. F. Thyer, Assistant Director, Bureau of Mineral Resources, stated that delays are inherent in the printing industry and, at times, publishers do not meet contract dates for completion. Mr. Thyer instanced one contract which had been let in June, 1962, with a contracted delivery date of December, 1962, but which was still outstanding at the time of our inquiry.

Q.218

42. New proposals were underspent by about £12,000, due principally to staffing difficulties which delayed the editing of manuscript intended for publication. We were informed by Mr. Thyer that the staff position has since improved and that better results are expected in the future.

Q.243

Q's 235  
& 236

43. We note that the 1963/64 cash provision for this item has been reduced to £25,000 and trust that this more realistic treatment indicates that there will be a higher standard of estimating in the future.

(iv) Division No. 754 - Special Mineral Survey - (Northern Territory).

Original Appropriation £50,000; Expenditure £1,83C.

44. The appropriation of £50,000 was intended to cover part of the cost of a special mineral survey, commenced in 1962/63 in the Northern Territory and estimated to cost a total of £150,000. The tentative programme was received by the Bureau in December, 1962, and, when it was finally determined early in 1963 it was estimated that the cost during 1962/63 would not exceed £18,000. Some technical difficulties were encountered in the preparation of tender specifications and contracts. In addition, the 1962 phosphate programme could not be assessed until diamond drilling was completed in March, 1963. These factors delayed finalisation of tenders called under the special programme and resulted in the under-expenditure of £48,170.

Exhibit  
No. 64/3

45. We were informed by Mr. Thyer that the programme could not have been finalised prior to preparation of the estimate -

"(Mr. Thyer).....At the time we made the estimate it was still dependent on the result of the current year's programme - that is the 1962 calendar year's programme.....The results of this work determined to a large extent our final programme on this particular project. It was not until after December that the actual programme was finalised."

Q.254

46. Referring to delays in the 1962 phosphate programme, Mr. Thyer stated -

"(Mr. Thyer).....At the time of our original estimates we expected all the work of our 1962 phosphate season to be completed by about the end of November. In point of fact some of the diamond drilling was delayed and did not conclude until March....."

Q.259

47. The Treasury observer, Mr. J. Attridge, Chief Finance Officer, was invited to comment on the need for the cash provision of £50,000.

"Member - Would the Treasury representative care to comment and say why the Treasury agreed to include this £50,000?..... (Mr. Attridge) There was a certain amount of haste and on the information available the estimate of £50,000 seemed reasonable having regard to the fact that the programme of commitments to be undertaken was £150,000. The Department was estimating that one third of those commitments would result in expenditure in 1962/63."

Q.263

48. Your Committee appreciate the difficulties which obviously confronted the Department in preparing an estimate for this item of appropriation and realise that delays associated with the letting of tenders were beyond the control of the officers concerned. However, we are concerned by the magnitude of the over-estimate and find it difficult to accept readily the Treasury view that the estimate of £50,000 was reasonable, having regard to the facts.

49. We would repeat the conclusion expressed many times in other Reports that, where expenditure is very largely dependent upon factors which cannot be determined at the time that Estimates are prepared, caution should be exercised and, if necessary, further funds obtained in Additional Estimates.

(C) Department of Social Services.

- (i) Division No. 360-2-03 - Central Administration - Administrative Expenses - Publicity.

Original Appropriation £6,200; Expenditure £4,722.

50. The under-expenditure of £2,478 was due, in the main, to a reduced requirement for leaflets publicising the various Commonwealth Social Services (£660) and delayed completion of a rehabilitation film (£600).

Exhibit  
No. 64/4

51. Mr. D. V. Murphy, Director (Finance), Department of Social Services, explained that provision had been made in the estimate for the printing of 240,000 leaflets relating to Commonwealth social services. This had been based on usage in previous years. However, when details of the 1962/63 Budget were made known it was found that no changes would be necessary in the text of the leaflets and a check of existing stocks revealed that a further 185,000 only was required.

Q.284

Q.279

52. We were informed by Mr. F. T. Hill, Assistant Director-General, Department of Social Services, that production of a film dealing with rehabilitation of handicapped persons was delayed when it was decided that, in order to effect certain improvements which were considered desirable, the production unit should be transferred from Sydney so that additional shots could be made at the rehabilitation centre in Victoria. Q.310

53. Your Committee accept the Department's explanations.

(ii) Division No. 364-2-04 - State Establishments - Administrative Expenses - Office services.

Original Appropriation £30,000; Expenditure £30,636.

54. A further £3,500 was appropriated in Additional Estimates, leaving a net under-expenditure of £2,864.

55. Expenditure under this Item covers the cost of such services as light and power, gas, water and cleaning. Mr. Murphy stated that it had been particularly difficult to estimate expenditure during 1962/63 owing to the expansion of accommodation in eleven different buildings. It was admitted, however, that clerical errors in the Sydney and Adelaide offices contributed to the over-estimate. Q.342

56. The under-expenditure of £550 in Adelaide resulted from failure to apportion cleaning costs between this Item and the National Welfare Fund. In Sydney, the double provision for an electricity account resulted in under-expenditure of £416. Q.332  
Q.339

57. Your Committee appreciate the problems which arose in this instance but feel that, although the amounts involved were comparatively small, the errors in Sydney and Adelaide, referred to above, should have been avoided. We trust that a greater degree of accuracy will be achieved in future years.

(iii) Division No. 905-01 - Buildings, works, fittings and furniture.

Original Appropriation £112,000; Expenditure £86,692.

58. The under-expenditure of £25,308 was due mainly to delays in letting contracts for projects at Mt. Wilga (£4,500) and at the "Kingshome" Rehabilitation Centre (£12,200) and in obtaining furniture and fittings for the Mt. Wilga Centre. The balance of the shortfall in expenditure related to Departmental administrative charges, minor works and furniture and fittings. Exhibit No. 64/2

59. With reference to the Mt. Wilga projects in N.S.W., the written explanations submitted by the Department of Works stated -

".....Tenders were invited on 2nd March, 1963, closing on 19th March. The lowest tenderer was virtually unknown to the Department of Works and it was necessary to thoroughly Exhibit No. 64/2



investigate his ability to carry out a project of this size. Following these investigations, it was considered that he was not capable of carrying out the required works in a satisfactory manner and, finally, a tender submitted by the second lowest tenderor was accepted on 3rd May, 1963. Abnormal wet weather prevented an immediate start on excavating which had been expected to produce early good expenditure....."

60. Speaking of the "Kingshomo" Rehabilitation Centre project, Mr. J. James, Assistant Director-General (Construction), Department of Works, said -

"(Mr. James).....There was an element of urgency. The main item in that group is the amenities building. I understand that the existing building became unserviceable or it was noticed that it was becoming unserviceable. That was the reason for bringing that item forward. As you know, normally a new work of that size comes to us through a design list. This one found itself catapulted straight into a programme and, having come into the programme, the details of design were taken up with the local director in Brisbane. At some stage the central office of the Department of Social Services had other ideas. Apparently they were looking a little further forward and spoke of the master planning of the establishment as a whole. Resolving those differing views was responsible primarily for this particular work coming into the contractors' hands later than might otherwise have been the case." Q.353

61. We were informed by Mr. Hill that when the existing amenities building was examined, with a view to effecting repairs, it was found to have serious structural faults and to be rapidly approaching the stage when it could be said to be unsafe. The unusual procedure was then adopted of including it in the programme immediately. Mr. Hill confirmed that discussions within his Department on the question of siting had led to a delay in the calling of tenders. Q.354

62. Requirements for furniture and fittings for the Mt. Wilga Centre were not finalised till the end of May, 1963, due, in part, to the fact that standard type furniture was not acceptable. Delivery was delayed by the contractors because of the need to give priority to orders for departments occupying the new Commonwealth Centre in Sydney. In reply to a question, Mr. James strongly defended the Commonwealth Centre priority - Exhibit No. 64/2 Q.347

"Member - You consider that the priority should go to the Commonwealth Centre?....(Mr. James) Yes, because of the very much greater staffs involved. There must be nearly 3,000 people in the Commonwealth Centre. In the main they were provided with new furniture. The occupation dates were fixed very rigidly, and there were circumstances such as the terminating of leases of rented premises, from which these people were going. Moving into Phillip Street was a pretty cast iron operation." Q.351

63. In the circumstances Your Committee accept the explanations given.

(D) Department of External Affairs.

- (1) Division No. 141-1-01 - Administrative - Salaries and Payments in the nature of salary - (Permanent Officers)

Original Appropriation £434,400; Expenditure £449,043.

64. The over-expenditure of £14,643 was covered by the provision of £24,600 in Additional Estimates. The additional provision was sought to cover the estimated cost of new positions created and others reclassified following a re-organisation in some branches of the Department. Exhibit No. 64/5

65. The staff re-organisation was approved by the Public Service Board during the September-October period of 1962 and, had all positions been filled immediately, would have resulted in additional expenditure of £36,000 during 1962/63. Having regard to probable delays in filling positions and other relevant factors, the additional appropriation of £24,600 was sought. Q.369

66. Mr. G. T. Moodie, Assistant Secretary, Department of External Affairs, explained that the net shortfall in expenditure (£9,957) was due to delays in filling positions and the loss or transfer of some officers:-

"(Mr. Moodie).....First, when we framed the estimates at the beginning of the financial year we had expected that we would be able to fill a number of positions more quickly than in fact was the case. Secondly, we found that during the first half of the financial year several people left the Department or were transferred overseas. We had to leave their positions vacant. The second factor was that we had hoped to recruit a number of foreign service cadets for the Department. We made provision in the Estimates to recruit fourteen people. We had hoped for more but we thought fourteen was a fairly safe estimate. In the upshot, although we picked more, we were able to get only thirteen to Canberra and two of them left in the early part of 1963....." Q.369

67. Referring to the difficulties which the Department had experienced in securing staff, Mr. Moodie stated:-

"(Mr. Moodie).....That is something that worries us considerably - the fact that we are not now attracting as many high calibre applicants as we were some years ago. The other factor is something we have in common with other parts of the service - the difficulty in recruiting, particularly base grade clerks. At the beginning of the financial year in July we had an establishment of 304. We then had 20 vacancies and we thought that was probably a pretty fair calculation to make to apply all through the year, but in fact by Q.370

31st December the number of vacancies had increased to 37. Again, by 30th April it had dropped slightly to 32. It certainly meant that as far as the Department of External Affairs was concerned we had greater difficulty in recruiting people for permanent positions than we had in the previous years."

68. In view of the nature of the staffing difficulties experienced by the Department during 1962/63 Your Committee accept the explanations provided.

- (ii) Division No. 141-1-02 - Administrative - Salaries and Payments in the nature of Salary - Temporary and casual employees.

Original Appropriation £60,000; Expenditure £49,701.

69. The under-expenditure of £10,299 was due to the Department's inability to recruit temporary staff.

Exhibit  
No.64/5

70. Mr. Moodie explained the basis for the provision of an appropriation of £60,000 -

"(Mr. Moodie) These are positions not requiring university degrees. They are open to any member of the Public Service and anyone outside who wants temporary employment. The difficulty has been that in the previous year we had appropriation of £60,000 and we spent up to almost that limit - £59,700. This year we thought we should have a reasonable chance of doing the same but we were not able to recruit as many temporary persons as in the previous year nor for such long periods....."

Q.390

71. Your Committee accept the explanation and note that the 1963/64 provision under this Item has been reduced to £51,200.

- (iii) Division No. 141-2-02 - Administrative Expenses - Office requisites and equipment, stationery and printing.

Original Appropriation £50,800; Expenditure £50,331.

72. A further £5,000 was appropriated in Additional Estimates resulting in total under-expenditure of £5,469.

73. The Department's explanation stated that non delivery of two cypher machines, which had been ordered in the United Kingdom, resulted in a shortfall of £5,300.

Exhibit  
No.64/5

74. Mr. Moodie admitted that before funds were sought in Additional Estimates to cover additional stationery requirements it was known that the cypher machines would not be paid for during 1962/63. The Department failed to take this into account when seeking the further appropriation of £5,000.

Q.393

75. Your Committee are concerned at the apparent lack of liaison in this matter and trust that appropriate action will be taken within the Department to prevent a repetition.

- (iv) Division No. 141-2-08 - Administrative Expenses - Language tuition fees.

Original Appropriation £9,000; Expenditure £3,738.

76. The programme of language training was submitted to the Public Service Board in June 1962, but due to a delay in approval the programme was not promulgated until December, 1962. As a result more than half of the tuition programme envisaged could not be undertaken and the vote was underspent by £5,262.

Exhibit  
No. 64/5

77. We were informed by Mr. Moodie that the language training programme was designed to encourage Public Servants to become proficient in difficult languages such as Russian and Chinese. As this was the first year of operation of the scheme some administrative difficulties were encountered, thus delaying by about six months the full operation of the scheme.

Q.395

78. Your Committee accept the explanations given.

- (v) Division No. 148-2-06 - Embassy - Indonesia - Rent and maintenance of other buildings.

Original Appropriation £16,990; Expenditure £27,360.

79. A further £18,900 was obtained in Additional Estimates to meet the cost of renting six additional units required to house an increased Embassy staff and to replace some existing but unsatisfactory accommodation. The total provision of £35,890 was underspent by £8,530 due to (a) the withholding of part payments of rents because terms of the lease agreement had not been complied with (£4,517), (b) unexpended rent on unsatisfactory flats which were vacated (£1,200), (c) a saving in the provision made for rental increases (£400) and (d) a saving in the annual provision of £9,140 for maintenance and utility costs (£2,412).

Exhibit  
No. 64/5

80. We were informed by Mr. P. J. Sullivan, Head, Property Branch, Department of External Affairs, that in many cases it is necessary to require the lessor of premises to have improvements effected prior to occupation. In the case of two leases negotiated during 1962/63 the improvements were not completed by the agreed date and this resulted in the withholding of rent to the extent of £4,517.

Q.403

81. Mr. Sullivan admitted that the saving of £1,200 which resulted from the termination of leases relating to two flats should have been taken into account and offset against the provision of funds in Additional Estimates. The leases in question were terminated in August and November, 1962.

Q.405

82. Referring to the saving of £2,412 on maintenance and utility costs, Mr. Sullivan advised that the estimate had been prepared on the basis of materials being supplied by the local contractors but, in fact, it was necessary to import paint and other items from Australia thus reducing the cost chargeable against this appropriation. Had it not been for administrative difficulties, portion of

Q.407

Q.408

these savings could probably have been offset against the additional provision also.

83. Whilst accepting the explanations given, Your Committee are concerned at the lack of liaison between the Department's head office and some overseas posts and suggest that greater co-operation between the officers concerned would result in a higher standard of estimating.

(vi) Division No. 255-03 - Repairs and Maintenance.  
Original Appropriation £3,000; Expenditure £802.

84. The estimate of £3,000 included £600 for alterations to partitions in the Canberra Office and £750 for painting at the Melbourne Office. Due to unforeseen circumstances it was not necessary to proceed with these two projects. The need for minor maintenance was less than had been anticipated, resulting in further under-expenditure of £872.

Exhibit  
No. 64/2

85. Mr. Moodie informed Your Committee that the unexpected allocation of additional office accommodation in Canberra made it unnecessary for this Department to proceed with planned alterations as a charge against this vote. When it became apparent that the appropriation would be under-spent, an alternative requirement was substituted but it was not possible to have this work completed prior to the close of the financial year.

Q.367  
Q.363  
Q.365

86. This was the third successive year in which the Item had been substantially under-spent. In this instance Your Committee are satisfied with the explanations provided but we trust that a higher standard of estimating will be obtained in the future.

(E) Department of the Interior.

(i) Division No. 233-1-02 - Real Estate Management - Salaries and Payments in the nature of Salary - Temporary and casual employees.  
Original Appropriation £232,000; Expenditure £218,825.

87. An additional amount of £5,000 was provided in Additional Estimates, making total under-expenditure £18,175. In 1961/62 this Item was underspent by an amount of £26,859.

88. The additional provision of £5,000 was intended to cover the cost of new positions which were approved subsequent to preparation of the original estimate. However, considerable savings were effected by a change from day labour to contract cleaning in several buildings and by other staffing economies.

Exhibit  
No. 64/6

89. In Melbourne a saving of approximately £3,000 resulted when cleaners in the Customs House Buildings and the Prudential Building were replaced with contract cleaners. We were advised by Mr. N. Murray, Estimates Officer, Department of the Interior, that some of the savings were apparent when Additional Estimates were finalised but were not taken into account.

Exhibit  
No. 64/6  
Q.487

90. Provision was made in the estimate for payments of £3,010 in lieu of furlough and recreation leave to persons whose services were to be terminated during 1962/63. In the event they were employed with the Department for the whole of the year and the total provision remained unexpended.

Exhibit  
No. 64/6

91. The amount provided in the estimate for payment to cleaners employed in the Grace Building in Sydney was based on the number of cleaners employed at 30th June, 1962. During the course of the year the Department adopted a policy of not replacing full-time male cleaners on cessation of services and, by this means, reduced the total number of cleaners from 39 full-time male and 22 part-time female to 23 full-time male and 26 part-time female, thus effecting an unexpected saving of approximately £9,000.

Q.468

Exhibit  
No. 64/6

92. Other positions becoming or remaining vacant during the year, contrary to departmental expectations, accounted for the balance of the under-expenditure (approximately £3,100).

Exhibit  
No. 64/6

93. Your Committee are concerned that savings which were effected in Melbourne were not offset against the provision sought in Additional Estimates. We note that this item was commented on in our Sixtieth Report and trust that the position will be more satisfactory in future years.

(ii) Division No. 243-1-03 - News and Information  
Bureau - Salaries and Payments in the nature of  
Salary - Extra duty pay.

Original Appropriation £4,800; Expenditure £6,138.

94. The over-expenditure of £1,338 was covered by a further provision of £2,200 in Additional Estimates.

95. Much of the additional expenditure was incurred in connection with the visit to Australia of Her Majesty, Queen Elizabeth. The Bureau was responsible for all Royal Tour publicity and assigned a journalist and two photographers to full time duty with the Royal Party. In addition, an official tour book was produced by the Bureau and a film unit of five was engaged on the production of a colour film of the tour. The Department had no knowledge of the Royal Tour at the time that 1962/63 Estimates were finalised.

Exhibit  
No. 64/6

Q.554

96. The remainder of the additional expenditure arose out of the Bureau's commitments in relation to the World Poultry Congress, the International Labour Organisation Conference, Colombo Plan Conference and the visit of the King and Queen of Thailand.

Exhibit  
No. 64/6

97. Referring to the international conferences, Mr. K. P. Murphy, Director of the News and Information Bureau, stated that it had been known in advance that the conferences would be held in Australia but the extent to which officers of the Bureau would be involved could not have been foreseen. The visit of the King and Queen of Thailand was announced too late to allow provision to be made in the original estimate.

Q.554

98. In the circumstances Your Committee accept the explanations.

(111) Division No. 243-2-03 - News and Information  
Bureau - Administrative Expenses - Postage, etc.

Original Appropriation £18,800; Expenditure £25,667.

99. The over-expenditure of £6,867 resulted from transfer of the Film Division to new premises at Lindfield and from a generally higher level of activity within the Bureau due to the Royal Tours and the visit of overseas conference delegations. The increased expenditure was covered by the provision of £7,000 in Additional Estimates.

Exhibit  
No. 64/6

100. Transfer of the Film Division to new premises involved the installation of new telephone equipment resulting in increased rental charges as well as installation fees. In addition, a change in the date of rendering telephone accounts involved the Division in payment of 18 months charges in lieu of the usual 12. Mr. Murphy explained to Your Committee that the gradual transfer of staff and activities to the Lindfield premises accentuated the Bureau's difficulties in providing an Estimate for this Item -

Exhibit  
No. 64/6

"(Mr. Murphy).....The studios became fully functional only some four months ago. We were faced with the problem, in respect of telephones particularly, of having no experience of the operation for a full financial year of headquarters which was adequate for the increased tempo of film production."

Q.571

101. Mr. Murphy mentioned also the increased demand overseas for literature and other information about Australia arising from Royal tours and visits by international delegates:-

"(Mr. Murphy).....I think the basic reason for the inadequacy of the original estimate was this very sharp increase during the financial year in the dissemination overseas of information about Australia arising from the two Royal tours I have mentioned and arising further from a considerable upswing in interest in Australia in the United States that was reflected in an increase of more than 30 per cent in requests for literature received by the News and Information Bureau's New York Office."

Q.577

102. With the opening of new trade and diplomatic posts abroad the demand for information on Australia increased still further. Higher postage rates in Djakarta also contributed to the increased level of expenditure.

Exhibit  
No. 64/6

103. Your Committee appreciate the difficulties which confronted the Department in estimating 1962/63 expenditure under this Item and accept the explanations.

- (iv) Division No. 243-2-04 - News and Information Bureau - Administrative Expenses - Office services.

Original Appropriation £6,000; Expenditure £8,747.

104. The original estimate of £6,000 was intended to cover fuel, light and power costs incurred in the premises of the Film Division. Following transfer of the Division from Burwood to Lindfield it became apparent that the cost of these services would be considerably higher in the new premises and a further provision of £4,000 was obtained in Additional Estimates. The total appropriation of £10,000 was underspent by £1,253, due principally to an electricity account being received too late for payment. Exhibit No. 64/6

105. Mr. Murphy explained the increased demand for services in the new premises:-

"(Mr. Murphy).....From the very beginning of the planning of the new studios, they contained larger electrical installations than ever were possible in the previous makeshift premises. They contain a wider air-conditioned area for the proper handling of films. For that reason, it was known that larger demands would be made on electricity and fuel oil for air conditioning." Q.591

106. An electricity account for £930, covering the quarter ended 12th June, 1963, was received by the Film Division on 26th June but it was not possible to effect payment in 1962/63. Committee Document No.63/37

107. Your Committee accept the explanations submitted.

- (v) Division No. 766-2-02 - A.C.T. Services - Administrative Expenses - Office requisites and equipment, stationery and printing.

Original Appropriation £16,000; Expenditure £11,791.

108. The under-expenditure of £4,209 was due principally to delays which occurred in the printing of A.C.T. Ordinances and Regulations and to a decision to defer publication of a cumulative supplement to A.C.T. Ordinances and Regulations. Exhibit No. 64/6

109. Mr. J. M. Jorgenson, Legislation Officer of the Department of the Interior, explained that in the publication of this particular material his Department is very largely in the hands of the Attorney-General's Department, which prepares the legislation, and the Government Printer. Q.626

110. Mr. Jorgenson advised that the reprinting of separate copies of ordinances and regulations is considerably behind time:-

"(Mr. Jorgenson)... ..All the ordinances produced in the volumes are being printed as separate copies for sale, and so far we have received only 53 reprints out of a Q.637



total of 180 of the ordinances and three reprints out of the 75 sets of regulations...."

111. Commenting on these delays the Treasury observer, Mr. Herring, stated:-

"(Mr. Herring).....I do not know to what extent the Government Printer is answerable for this delay, but we made some preliminary enquiries and he gave me a list of some 28 ordinances which he has printed in proof. The proofs have been sent out. From what the Interior representative said this morning, it seems that those proofs may have been sent to the Attorney-General's Department. In this list there are reprints which have been returned to a department as early as 14th June, 1962. They have not been returned for final printing." Q.654

112. Referring to the proposed supplement of ordinances and regulations Mr. Jorgenson stated that it had been suggested that the supplement be prepared to assist people in understanding A.C.T. laws; however, its preparation had later been deferred because it was considered that it would serve a more useful purpose if produced in about five years' time. Q.638

113. Your Committee are conscious of the fact that the Department of the Interior has little control over the level of expenditure incurred in a given period in the publication of A.C.T. ordinances and regulations. We are disturbed, however, by the apparent lack of liaison between the relevant departments and suggest that future estimates for this item should be finalised only after more effective consultation with officers of the Attorney-General's Department and the Government Printer,

(vi) Division No. 766-4-03 - A.C.T. Services - General Services - Flats - Caretaking and maintenance.

Original Appropriation £54,000; Expenditure £51,350.

114. An additional amount of £2,000 was obtained in Additional Estimates making the total appropriation £56,000. The total amount thus made available was underspent by £4,650.

115. The Department explained that the major factor contributing to reduced expenditure was the conversion of boilers at the Northbourne Avenue flats to the use of heavy oil instead of light oil. The change resulted in a 33% saving on fuel costs. Exhibit No. 64/6

116. The Departmental witness, Mr. N. Murray, Estimates Officer, explained that, whilst savings in fuel costs were apparent early in 1963, expenditure to 31st December, 1962, failed to indicate this trend but rather suggested that the additional provision of £2,000 would be required -

"Member - Why did not the expenditure to the end of January 1963 - shown in your explanation as £32,665 as compared with £32,582 twelve months earlier - suggest to you that the additional provision of £2,000 might not be required?.....(Mr. Murray) The Q.1622

need to approach Treasury for additional funds was based on expenditure to the end of December. The expenditure was only a little greater than that of the previous year, but it was greater. The expenditure at December was £29,220 and for the same period the previous year was £28,895. It did show an actual increase in the expenditure although only a small one. The trend was there and it was thought prudent to obtain the extra funds.

Member - Was expenditure under this item reviewed at the end of February 1963 when it was about £1,500 less than at the same point in the previous financial year?  
(Mr. Murray) I cannot say that it was. Of course, the February expenditure would not be available until early March when returns were posted. Additional Estimates closed on 7th March....."

Q.1623

117. Mr. A. Wingfield, Acting Assistant Secretary, Housing Branch, Department of the Interior, informed Your Committee that his Department was not directly involved in the conversion of the boiler and had no prior knowledge of when the work was likely to be carried out -

"Member: When this change was made to save costs, how was it that you people would not be cognizant of the fact?.....(Mr. Wingfield) That was an arrangement between the Department of Works and the National Capital Development Commission. Apparently it was investigated by those two bodies. The first indication that I have been able to trace in my own Department of this proposition is a courtesy copy, if you like, of the Department of Works' request for the actual conversion at a cost of £1,485. That letter was received in the Department on 11th April, 1962, but there was no information as to when the contract had been let or when the work would be completed."

Q.1635

118. The evidence given to Your Committee indicates that there is need for more effective liaison between the Departments of Interior and Works and the National Capital Development Commission in matters such as this. In this particular instance the Department of the Interior was at fault in not seeking further information concerning the proposed boiler conversion. If such additional information had been obtained the need to review expenditure would have been apparent and would almost certainly have shown that a reduction in expenditure during the second half of the financial year could have been expected and that the provision of funds in Additional Estimates was unnecessary.

- (vii) Division No. 769-2-02 - A.C.T. Police -  
Administrative Expenses - Office requisites and  
equipment, stationery and printing.

Original Appropriation £2,500; Expenditure £2,239.

119. A further amount of £680 was provided in Additional Estimates making a total appropriation of £3,180 which was underspent by £941.

120. The Commissioner of Police decided in December, 1962, that the Australian Capital Territory Police Rules and Instructions were in need of revision and reprinting. Provision of funds to the extent of £680 was sought to cover the cost of printing. On 28th February, 1963, the Publications Committee approved of the reprinting of the Rules and Instructions and Treasury advised that funds would be provided. It was not possible to have the publication printed in the remaining months of the 1962/63 financial year and provision has again been made for the expenditure in 1963/64 Estimates.

Exhibit  
No. 64/6

121. Mr. H. A. Barrenger, First Assistant Secretary, Department of the Interior, advised Your Committee that the reprinting of the Rules and Instructions was regarded as a matter of urgency. Under normal circumstances a copy is given to each constable but, due to the rapid increase in the strength of the Force, some officers had had to share a copy.

Q.1733

122. Your Committee consider that provision probably should have been made in the original 1962/63 Estimates to cover the cost of reprinting the Rules and Instructions as a requirement of this nature should be foreseeable some months ahead. Had the task been commenced earlier, the publication would have been ready for distribution during 1962/63 but, as the new publication was apparently thought of only about half way through the financial year, the Department was optimistic in expecting the work to be completed and paid for by the 30th June, in view of the heavy volume of work the Government Printer is known to have on hand. Some improvement should be possible in the standard of estimating requirements for this Item.

- (viii) Division No. 775-03 - Department of the Interior -  
Other repairs and maintenance.

Original Appropriation £75,000; Expenditure £63,019.

123. The under-expenditure of £11,981 resulted from delays in executing repairs to the Albert Hall, Barton House and the Fyshwick Community Hall and from a slightly reduced requirement for urgent minor maintenance.

Exhibit  
No. 64/2

124. The estimate of £75,000 included provision of £7,300 for works to be carried out during 1962/63 at the Albert Hall in Canberra. The proposed work involved external repairs and painting, re-roofing, general plumbing repairs and replacement of the main floor. On 5th November, 1962, the Director of Works, A.C.T., advised the Department of the Interior that the work had been programmed for late February and early March, 1963. The Works Director was advised

Exhibit  
No. 64/2

by the Department of the Interior on 3rd January, 1963, that due to forward bookings for the Hall it would not be possible to allow contractors to move in until 17th June, when the Hall would be kept free of bookings for a period of four weeks. The work commenced in June but expenditure to the end of the financial year amounted to only £2,342.

Committee  
Document  
No.63/36

125. An amount of £5,200 was provided for replacement of the boiler and kitchen equipment at Barton House. Due to pressure of work in the Mechanical Design Section of the Department of Works the preparation of contract documents was not commenced until April, 1963. Correspondence between the Departments of the Interior and Works regarding the disposal of the existing equipment further delayed preparation of the documents. Tenders were invited on 15th June, 1963, but the only expenditure recorded during 1962/63 was an amount of £843 for replacement of kitchen equipment. The Department of Works witness, Mr. James, explained that, as the existing boiler at Barton House was functioning, priority had been given to more urgent work in the Mechanical Design Section. Mr. James stated that the Section is able to handle all work within a reasonable time but that regard must be had to priorities.

Exhibit  
No. 64/2

Q.681

Q.682

126. Repairs to the Fyshwick Community Hall, estimated to cost £1,280, were included in the 1962/63 programme but no expenditure was incurred. This work was deferred in February, 1963, when the question of the lessee's responsibility for maintenance was raised by the Department of the Interior.

Exhibit  
No. 64/2

127. In view of the fact that the Department of the Interior has full control of the Albert Hall and arranges hall bookings three months or more in advance, Your Committee consider that the Department erred in not taking the initiative to ensure that repairs to the Albert Hall were carried out within the 1962/63 financial year. Departmental officers would be aware that forward bookings for the Hall made it imperative for the work to be planned some five or six months in advance but despite this knowledge and the fact that relatively extensive work was involved, the project does not appear to have been given proper consideration by the Department until the matter was raised by the Director of Works in November, 1962. Apart from this project, Your Committee accept the explanations submitted, on this occasion, in respect of the other items investigated.

(ix) Division No. 980-03 - Capital Works and Services - Plant and equipment.

Original Appropriation £150,000; Expenditure £121,296.

128. Of the total under-expenditure of £28,704, an amount of £6,955 was due to savings effected in the purchase of equipment. The balance of £21,749 related to orders which remained outstanding at 30th June, 1963.

Exhibit  
No. 64/6

129. Referring to the savings of £6,955, Mr. N. Murray explained that this amount was in fact the net difference between the estimated and actual cost of the

various items provided for under this vote -

"(Mr. Murray) This is quite a big programme. We have about 400 items in that £150,000, varying from £4,000 for tractors to £40 or £50. The estimates for each item are the best available at the time. They were tentative but not firm. We obtained the prices from trade journals or from our previous experience of the particular type of equipment, but they are not exact.....With such a big programme covering eight or ten pages it would be almost impossible to get exact quotes for every item of equipment required, but the estimate for each item is as close as it is possible to get....."

Q.1738

130. Your Committee examined carefully the reasons submitted by the Department for orders remaining outstanding at the close of the financial year and, in some instances sought further information from witnesses. In some cases recent technical developments had made it desirable to await availability of more improved equipment than that originally envisaged while in others some difficulty was experienced by the Department in securing delivery of equipment within the agreed delivery period, particularly where overseas suppliers were involved.

Exhibit  
No.64/6

131. Your Committee accept the explanations supplied.

(x) Division No. 980-06 - Capital Works and Services - Provision of home electrical appliances.

Original Appropriation £23,000: Expenditure £16,990.

132. The under-expenditure of £6,010 was attributable to a falling off in the demand for electric coppers in government-owned homes and to a lag in the installation of appliances which resulted from the diversion of many tradesmen for their normal duties to work associated with the Royal Visits between February and April, 1963.

Exhibit  
No. 64/6

133. The Department's policy on the installation of coppers in new homes has been changed and now provides that laundries be electrically wired but that no installations be made until requested by the tenant. The change has resulted in a reduced demand for coppers, purchase of which is provided for along with other appliances, under this Item. The lag in installation of appliances which had occurred in February, March and April, 1962, was being overtaken by a gradual process rather than by the working of overtime.

Q.1770

Q.1769

134. Your Committee note that the appropriation for 1963/64 remains unchanged at £23,000 but have ascertained that this amount, whilst allowing less for coppers than in previous years, makes provision for the unusually high number of other appliances on order at 30th June, 1963.

Q.1770

135. In the circumstances we accept the explanations but trust that the estimate for this Item during the current financial year will be more accurate.

(F) Department of Immigration.

- (i) Division No. 381-2-01 - Administrative Expenses - Travelling and subsistence.

Original Appropriation £48,000; Expenditure £50,842.

136. The over-expenditure of £2,842 was covered by the provision of £3,000 in Additional Estimates. The additional appropriation was required to meet expenditure arising out of two overseas visits by departmental officers and interstate travel in excess of normal requirements. Exhibit  
No. 64/7

137. An amount of £1,075 was required to send an officer of the Citizenship Division of Central Office to Europe to make an on-the-spot assessment of migrants' pre-embarkation education requirements. The visit was not contemplated when the original estimate was prepared but was approved by the Overseas Travel Committee on 20th November, 1962. Exhibit  
No. 64/7  
  
Q's 702  
& 705

138. An officer of the Control Division attended the Sixth Session of the Facilitation Division of the International Civil Aviation Organisation in Mexico, as part of the official Australian delegation. The decision to send an officer of the Immigration Department was not made until February, 1963, when the Department of Civil Aviation suggested that an Immigration Officer should be included in the delegation. The cost of fares, accommodation, etc. amounted to £1,032. Exhibit  
No. 64/7  
  
Q.724

139. Your Committee accept the explanations submitted.

- (ii) Division No. 381-2-02 - Administrative Expenses - Office requisites and equipment, stationery and printing.

Original Appropriation £48,500; Expenditure £40,934.

140. Of the total under-expenditure of £7,566 about £5,500 was due to the non-completion of orders for printing and stationery supplies, including £4,000 for passports. The provision of £1,000 for office requisites for head office was found to be in excess of requirements and a further £1,000 provided for the purchase of office requisites for State offices remained unexpended. Q.747  
  
Q.743

141. As the form of the Australian passport was under review the Department placed two separate orders, each for 25,000 passports, to avoid holding large stocks which might become obsolete. The first order was satisfied by April, 1963, but it was not necessary to press the Government Printer for delivery of the second order prior to the close of the financial year. Committee  
Document  
No.63/38

142. Referring to the provision of £1,000 for supplies and stationery for head office, Mr. R. E. Armstrong, Acting Deputy Secretary of the Department of Immigration, stated:-

"(Mr. Armstrong) I think that the under-expenditure on these items is due to the fact Q.745

that we actually did not need the items and they were not ordered. Our estimate was £1,000 over what we required. This was also affected by stocks of printed and other material on hand at the beginning of the year."

143. Your Committee accept the explanations received in this instance but, in view of the over-estimate of office requisites requirements, trust that more care will be exercised in future in assessing the possible essential expenditure against this vote.

(iii) Division No. 385-2-01 - Overseas Transfers - Administrative Expenses - Travelling and subsistence.

Original Appropriation £67,000; Expenditure £67,855.

144. When Additional Estimates were prepared it was estimated that staff movements during 1962/63 would total 69 as against the 63 originally provided for under this Item. An additional provision of £6,400 was therefore obtained, resulting in a net under-expenditure of £5,545. Exhibit  
No. 64/7

145. The under-expenditure was due to the fact that several accounts for travel were received too late for payment in 1962/63. Q.748

146. Your Committee accept the explanations submitted.

(iv) Division No. 385-2-02 - Overseas Transfers - Administrative Expenses - Freight and cartage, including removal expenses,

Original Appropriation £13,000; Expenditure £18,944.

147. The estimate of £13,000 was based on the probability that there would be 63 movements of staff to or from overseas posts at an estimated cost of approximately £200 per move. The estimate of £200 per move was based on the experience of the preceding year but, in the event, the average cost during 1962/63 proved to be in the vicinity of £290 per move. When Additional Estimates were framed a further provision of £7,000 was obtained to cover this higher cost and to provide also for an additional six staff moves. The total provision of £20,000 was underspent by £1,056 due to the non-receipt of some accounts. Exhibit  
No.64/7  
  
Committee  
Document  
No.63/38

148. Your Committee are satisfied that both the original estimate and the revised estimate were reasonably based on information available at the time of their preparation.

(G) Department of Supply.

- (i) Division No. 561-1-02 - Administrative - Salaries and Payments in the nature of Salary - Temporary and casual employees.

Original Appropriation £423,000; Expenditure £381,421.

149. The estimate of £423,000 provided for a probable increase from 392 to 398 in the total number of temporary employees but, following a re-organisation of a major branch of the Department, it was found possible later to reduce the number of positions by 14. The reduction in actual staff employed was effected by a policy of not replacing wastage. Inability to recruit suitable personnel to certain other vacancies resulted in a further reduction of 16. The under-expenditure of £41,579 was due principally to the overall reduction of 30 in the number of temporary employees. Exhibit No. 64/8

150. Mr. R. S. McIntyre, Director, Programme and Estimates, Department of Supply, stated that the under-expenditure on this Item had been contributed to by the appointment of some employees to the permanent staff. This resulted in a higher level of expenditure on salaries of permanent officers but the total expenditure on all salaries was within £15,000 of the overall estimate of £2,460,000. Q.779

151. Your Committee accept the explanation supplied and note that the 1963/64 provision has been reduced to a more realistic figure.

- (ii) Division No. 561-1-03 - Administrative - Salaries and Payments in the nature of Salary - Extra duty pay.

Original Appropriation £16,000; Expenditure £17,561.

152. The over-expenditure of £1,561 was covered by a further provision of £2,000 in Additional Estimates. The increased expenditure resulted from an expansion of activities in the A.C.T. and the introduction of new plant control procedure in Sydney. Exhibit No. 64/8

153. During 1962/63 the Department of Supply took over from the Department of the Interior the responsibility for inter-office removals in the A.C.T. A new organisation was set up to carry out the work but a shortage of personnel resulted in the administrative staff being called upon to assist outside of their normal hours of duty. Q's 791 & 792

154. Additional overtime resulted also from the need to introduce new plant control procedure in respect of a factory operated in Sydney by the de Havilland organisation on behalf of the Department of Supply. The establishment, which previously had been operated by the Commonwealth Aircraft Corporation, contains large quantities of equipment on loan and it was necessary to integrate de Havilland requirements into the Department's ledgers. Q.797

155. We were informed by Mr. McIntyre that none of



the additional overtime could have been foreseen when the estimate was prepared.

Q.793

156. In the circumstances Your Committee accept the explanations.

(iii) Division No. 561-2-05 - Administrative Expenses - Training of personnel.

Original Appropriation £87,000; Expenditure £70,162.

157. This appropriation provides for all expenses, including salaries, associated with the overseas training of a number of scientific and experimental officers, for the expenses incurred in Australia of conducting special courses of staff training, and for the University and other fees payable in respect of cadets recruited under the Cadet Training Scheme.

Exhibit  
No. 64/8

158. The under-expenditure of £16,838 was due to (a) cancellation of two Industrial Engineering Courses because of shortage of accommodation and organisational difficulties, (b) inability to secure the full number of cadets required for university training and (c) delays which were encountered in attempting to launch a Post Graduate Scholarship Scheme.

Exhibit  
No. 64/8

159. Provision had been made for three Industrial Engineering Courses during 1962/63. Each course was to be of three weeks duration and was to comprise 21 persons drawn from the Public Service and private industry. Because of administrative difficulties it was possible to conduct only one such course and the provision was, therefore, underspent by £2,200. We were informed by Mr. McIntyre that, because of the complex arrangements which were necessary for the courses, it was not possible to arrange substitute courses at alternative locations.

Q's 804  
& 805

160. It was estimated that 157 cadets would undertake university training during 1962/63 at a cost of £15,000. However, actual recruitment was 18 less than expected and 17 other cadets had their courses either cancelled or suspended. In addition, because of the calibre of the applicants, 12 cadets commenced Technical College rather than University training. The combined effect of these factors resulted in under-expenditure of £5,800.

Exhibit  
64/8

161. When asked why 157 cadets had been provided for, Mr. McIntyre replied:-

"(Mr. McIntyre) They were the people we thought might be trained at that level. If we could get more, we would train more. But I do not think we could get more. We have about 122 at the moment. I think 157 would be about the top level. But I stand subject to correction by my staff section on this. I think this is about the number. It is not necessarily the maximum we would like, but it is the maximum we are likely to get. We are at some disability in this area."

Q.815

162. No expenditure was recorded against a provision of £10,000 which was intended to cover the cost of a

Post-Graduate Scholarship Scheme. It was intended that the scheme should commence in August, 1962, but, at the close of the financial year, some details of the proposed scheme remained unresolved. Mr. McIntyre stated that, at the time of our enquiry, some matters had still not been resolved and, because of this, it was possible that no expenditure would be incurred during 1963/64

Exhibit  
No. 64/8  
  
Q.829

163. Explaining why the provision of £10,000 had been included in the 1962/63 estimate, Mr. McIntyre said:-

"(Mr. McIntyre).....When we went to estimate last year, we realised that we were not likely to get finalisation immediately, so we put in £10,000, because we thought we would reach finality within the financial year and we could possibly pick up the latter half of the academic year in the United Kingdom. We were anxious to proceed with the scheme because it is important to us."

Q.828

164. Your Committee accept the explanation in respect of Item (a) of paragraph 158 above but consider that the Department could probably have avoided the over-provision of funds for cadet training and post-graduate studies. In the case of cadet training, some allowance should have been made for possible recruitment difficulties and for non-completion of courses - occurrences which are normally met with in these matters by other departments and authorities. We appreciate the Department's anxiety to proceed as soon as possible with the Post-Graduate Fellowship Scheme but, in view of the uncertainty which surrounded finalisation of details, it appears to us that as we have commented so often in the past with reference to existing procedures where uncertainties exist, a final decision on the need for funds should have been deferred until Additional Estimates were prepared.

(H) Commonwealth Railways.

- (i) Division No. 698-2 - Trans-Australian Railway - Stores and Materials.

Original Appropriation £1,351,000; Expenditure £1,297,837.

165. An additional amount of £78,000 was obtained in Additional Estimates to cover the writing off of obsolete stores stock (£62,000) and to provide for greater usage of stores and materials likely to arise from increased goods traffic which became apparent in the first half of the financial year (£16,000). The total provision of £1,429,000 was under-spent by £131,163.

Exhibit  
No. 64/9

166. The amount sought in Additional Estimates was overstated by £75,000 due to the fact that allowance was not made for materials charges which had been met in June, 1962, but provided for again in the 1962/63 Estimates. This oversight accounted for more than half of the under-expenditure. The balance of £56,000 was attributable, mainly, to savings on the maintenance of rollingstock. A saving of £16,000 was effected by the more economic utilisation of goods stock. Approximately £15,000 worth of maintenance to coaching stock was deferred because the increased volume of passenger traffic did not allow coaches to be withdrawn for

Exhibit  
No. 64/9  
  
Q.845

servicing. The maintenance of locomotives, which also had been estimated at £15,000, was deferred when new locomotives were delivered earlier than had been expected. Expenditure on stores for re-laying of the Trans-Australia line was about £8,000 below the estimate because of delays to the re-laying programme.

167. Mr. K. A. Smith, Commissioner, Commonwealth Railways, stated that the excess provision of £75,000 had resulted from a lack of liaison between certain officers in the central office and that action had since been taken to avoid repetition of the incident.

Q'd 843  
& 844

168. Referring to the overall difficulty of the Commonwealth Railways in estimating expenditure Mr. Smith pointed out that some of their problems are peculiar to the Railways and are not shared by Commonwealth Departments:-

"(Mr. Smith).....we are a business undertaking and are affected to a great degree by the fluctuation of the business world. In the early part of 1961/62 there was a great rise in general traffic. Later, at Christmas-time, traffic such as motor cars fell off very rapidly. We would have budgeted for that traffic to be continued. All the information that came to us from manufacturers indicated that it would continue. However, such was not the case. That is a particular facet of our operations as a business organisation that is hard to forecast accurately."

Q.842

169. Your Committee accept the explanations supplied in this instance.

(ii) Division No. 698-3 - Trans-Australian Railway - Administrative Expenses.

Original Appropriation £206,000; Expenditure £216,192.

170. Following an increase in the level of goods traffic activity in the first half of the financial year a further appropriation of £50,000 was secured in Additional Estimates to meet related administrative expenses. The volume of traffic in the second half of the year was not as great as had been anticipated and, consequently, expenditure on station services, etc. was less than had been provided for. Provision had been made in the original estimate for payment to the Highways Department of a proportion of the costs incurred in sealing a road connecting Stirling North to the main road but, as the work was not undertaken during 1962/63, payment was not made. As a result of these factors the total appropriation of £256,000 was underspent by £39,808.

Exhibit  
No. 64/9

171. We were informed that, following widespread agitation for sealing of the road which serves the Railways settlement at Stirling North, agreement had been reached for the work to be carried out by the State Highways and Local Government Department, with costs being shared between the local Council and Commonwealth Railways. Accordingly, provision was made in 1962/63 Estimates for the Railways' share of the expenditure. However, at the time of our enquiry, the State authorities concerned had not commenced work on the project.

Q.886

172. Mr. Smith stated that, when Additional Estimates were prepared, it was confidently expected that the increased volume of goods traffic would continue throughout the year:-

"(Mr. Smith).....When those estimates were put in in January, the rise in traffic had been quite spectacular and all manufacturers confirmed that this would continue. After the Christmas rush - of which we generally fuel the results at the end of January - traffic fell off considerably from what we expected."

Q.893

173. Your Committee appreciate the problems involved and accept the explanations.

(iii) Division No. 699-2 - Central Australia Railway - Stores and Materials.

Original Appropriation £554,000; Expenditure £417,472.

174. The under-expenditure of £136,528 was due principally to the fact that the year's 40-mile track re-laying programme was not completed because of unfavourable climatic conditions and a shortage of manpower. Delays in the installation of roller bearings and replacement of bogies on goods rollingstock also contributed to the under-expenditure on stores and materials.

Exhibit  
No. 64/9

175. The 1962/63 estimate of £554,000 included provision of £240,000 for materials required for the re-laying of 40-miles of the Central Australia track. Widespread flooding in the area severely damaged the existing track and, as a result, it was necessary to employ the Department's workforce in repairing the track. Because of this diversion of manpower it was possible to complete only 14½-miles of the programmed re-laying. An acute shortage of manpower in the early part of the year also delayed the proposed work. Mr. Smith spoke of the difficulty of assessing from year to year, the available manpower:-

Q.919

Exhibit  
No. 64/9

"(Mr. Smith).....We work on seasons, just as the grape-grower does. People will not work in that area in summer. They leave early in summer and come back generally after Easter. If there are other jobs going at the time, they do not come back at all. It is always a guess how many men we will get."

Q.906

176. We were informed that the under-expenditure in respect of roller bearing installations and replacement of bogies for goods rollingstock as explained under Division No. 698/2 (see paragraphs 165 to 169) is also reflected in this item, as a proportion of the charges are debited to the Central Australia Railway.

Exhibit  
No. 64/9

177. Your Committee accept the explanations supplied.

- (iv) Division No. 701-2 - Sort of Government Railway - Stores and Materials.

Original Appropriation £4,000; Expenditure £1,791.

178. Most of the services on the Seat of Government Railway, between Canberra and Queanbeyan, are provided by the N.S.W. Government Railways on the operating side, and by outside contractors. The under-expenditure of £2,209 in 1962/63 was due partly to a reduction in the proposed re-sleeping programme. Exhibit  
No. 64/9  
& Q.941

179. Mr. Smith explained to Your Committee:-

"(Mr. Smith).....In 1961/62 our figure for sleepers in the track was £1,226. Because of the rise in industry in the Fyshwick area, quite a few industrial sidings have been put in. Our staff was engaged on that work and not on re-sleeping. The nett result is that this year we spent only £261 on re-sleeping. The staff was engaged on putting in new industrial sidings....."

Q.941

180. We were informed that estimated expenditure under this Item is based upon debits raised during preceding months. Although rollingstock is owned and operated by the New South Wales Government Railways, that Department does not provide an estimate of likely expenditure. It is presumed by Commonwealth Railways that the number of trains running to and from Canberra will be the same as in the previous year.

Exhibit  
No. 64/9

Q.940

181. Our initial impression that insufficient attention had been given to estimating requirements under this Item appeared to be confirmed when the witness was questioned concerning the provision for 1963/64:-

"Member - In 1962/63 you provided £4,000 for this Item. You spent £1,791 and your estimate for 1963/64 is £2,000. Does that mean that you will not have to do the work this year that you did not do last year?..... (Mr. Smith) No. It means that we are going to be short of money. Things have come out of the blue. A couple of weeks ago I made a thorough inspection of the area here and it appears that the goods shed is quite inadequate. A lot of claims come in for misplaced goods at Canberra railway station. The goods shed must be extended. This will cost over £3,000."

Q.945

182. Your Committee regret that a more effective liaison had not been established between Commonwealth Railways and the New South Wales Government Railways in an effort to determine more precisely the annual requirements under this appropriation. Whilst the amount involved here is small in comparison with the overall expenditure of Commonwealth Railways, it should be possible to attain a higher degree of accuracy than would be expected against an appropriation for activities of greater magnitude and diversity.

- (v) Division No. 950-03 - Capital Works and Services - North Australia Railway.

Original Appropriation £35,000; Expenditure £23,236.

183. The appropriation included £20,000 for the provision of a 20-ton gantry crane at Darwin and at Larimah. Technical details delayed finalisation of a contract for the cranes and, although a progress payment of £8,000 was made, the equipment had not been delivered at the close of the financial year on 30th June. Exhibit  
No.64/9

184. Tenders for supply of the cranes closed on 16th November, 1962, but tenderers failed to supply sufficient technical data and were requested to submit amended tenders which closed on 28th February, 1963. At the time of our enquiry the cranes had not been delivered but a contract had been let for the provision of foundations and it was expected that installation would shortly be effected. Committee  
Document  
No.63/40  
&  
Exhibit  
No.64/9  
  
Q.956

185. Mr. Smith indicated in evidence before Your Committee that, as this particular equipment was the first of its kind to be used by a Railway anywhere in Australia, it would have been difficult to foresee the technical difficulties involved. Q's 953  
& 956

186. Your Committee accept the explanations offered in this instance.

# (I) Department of the Navy.

- (i) Division No. 475-03 - Administrative Expenses and General Services - Office requisites and equipment, stationery and printing.

Original appropriation £196,000; Expenditure £225,660.

187. The under-estimate of £29,660 was adjusted by the provision of a further appropriation of £30,000 in Additional Estimates. Mr. L. J. Murphy, Acting Director of Estimates and Audit, explained the need for additional funds as follows:-

"(Mr. Murphy).....The additional estimate that was required of £30,000 included approximately £12,000 for items not anticipated at the time of the preparation of the Budget, the principal amount being £3,000 for additional accounting machines and £7,000 for the retention of punch-card equipment longer than was anticipated. The balance of approximately £18,000 was due to increased requirements and additional activities ....." Q.1022

188. The unforeseen expenditure of £7,000 on hire of punch-card equipment arose from the delay in substituting "National" Accounting Machine processes for the punched-card system in the Sydney area. Mr. Murphy outlined for Your Committee some of the difficulties associated with the change-over - Exhibit  
No.64/11

"(Mr. Murphy).....Several factors resulted in the continuance of the punch-card equipment. It took longer to get the accounting machine system into operation than was anticipated.

The salary section of the accounting side was put on the machines in February, 1962, and it was anticipated that the wages system would be on the machines before the end of the financial year and there would no longer be a need for a whole lot of equipment. But it was difficult to get trained staff and staff had to be trained for the new system, not only the accounting machine operators but down to the cost assessors in the dockyard. There was a longer time than had originally been anticipated in obtaining accommodation in the dockyard for the staff, because the new accounting machine system in the dockyard envisaged a decentralized system where cost assessors were stationed out in the workshops themselves and required office accommodation. It took longer than was anticipated to get the accommodation. Printing of forms, which perhaps should have been seen in the estimate, took longer than was anticipated, and consequently the wages and costing side of the operation was not put on to the National accounting machines until January, 1963. That meant there was at least seven months to pay on the hire of the equipment longer than was anticipated."

Q.1025

189. Mr. Murphy stated that the level of purchases of stores and stationery during 1962/63 had been somewhat in excess of normal. This had resulted largely from the transfer of staff from Melbourne to the new Canberra office which draws its supplies from Naval Stores in Sydney. It was necessary to build up stocks in Sydney in order to satisfy the demand from Canberra, but the additional expenditure incurred in Sydney would be reflected in reduced expenditure in Melbourne in future years.

Q.1037

190. Your Committee are satisfied that the additional expenditure resulted from circumstances which would have been difficult to foresee and we note that the revised estimate of £226,000, being within £340 of final total expenditure, was made in time for the additional funds to be obtained in the second appropriation measure for 1962/63.

(ii) Division No. 475-05 - Administrative Expenses and General Services - Fuel, light, power, water supply and sanitation.

Original Appropriation £530,000; Expenditure £579,850.

191. The additional expenditure of £49,850 resulted from (a) retrospective adjustment of an incorrect electricity meter reading (£14,300), (b) re-activation of a low frequency transmitter (£21,900) and (c) expansion of R.A.N. activities (£13,650). An amount of £50,000 was provided in additional Estimates to cover the increase in expenditure.

Exhibit  
No.64/11

192. Retrospective adjustment of the electricity account did not come under notice until July, 1962, when the Canberra Electric Supply notified the Department that there had been a misreading of a meter at H.M.A.S. Harman. Following an investigation, a payment of £14,300 was made by way of retrospective adjustment.

Q.1057

193. During 1961/62 it was decided that a low frequency transmitter should be re-activated to provide additional communications. However, the technical staff had failed to bring to notice the fact that this would cause a steep rise in electricity usage. Consequently, no provision was made for the £21,900 expenditure which resulted. The additional cost would have been brought to notice earlier if an error had not occurred in the reading of an electricity meter (see paragraph 192 above).

Q's  
1059  
to  
1062

194. In connection with the incorrect reading of the electricity meter, Your Committee were later advised -

".....  
The under reading in question was not detected at the time because neither the Canberra Electricity Supply meter reader nor the checker was aware that a multiplying factor of five had to be applied to readings taken from the meter which had been recently installed. As the overall electricity accounts for the period during which the under reading occurred were consistent with previous similar periods the under reading was not suspected."

Committee  
Document  
No. 63/45

195. Your Committee accept the explanations given but direct the Department's attention to the apparent need for better liaison between technical and administrative staff to ensure that adequate provisions are made for the variations in expenditure likely to result from changes in the use of technical equipment.

(iii) Division No. 475-06 - Administrative Expenses and General Services - Naval aviation and other personnel - Special training fees.

Original Appropriation £270,000; Expenditure £152,202.

196. This vote provides for the funds for the training of Naval personnel and civilians in a variety of fields including the flying of both fixed wing and helicopter type aircraft. The under-expenditure of £117,798 was due to the inability of the R.A.A.F. to provide basic flying training for the full number of trainees provided for and to the savings which were effected in the estimated cost of training of personnel overseas.

Exhibit  
No. 64/11

197. An amount of £80,000 was provided for basic flying training but, because the R.A.A.F. was unable to proceed with its full programme of courses during 1962/63, expenditure amounted to only £26,000. Mr. Murphy explained to Your Committee -

"(Mr. Murphy) The amount provided - £80,000 - was based on the courses that it was anticipated would take place. Application had been made to the Royal Australian Air Force for these people to be trained, commencing in January, 1963. Subsequently it transpired that the R.A.A.F. was not prepared to take this number at this time.

Q.1074



The trainees did not begin training until March, 1963, and there was a lesser number."

and

"(Mr. Murphy).....we were looking eight months ahead and had no reason to doubt that the R.A.A.F. would assist with the training. It was a matter of making provision for what we thought they could accept. But the R.A.A.F., having looked at its facilities, advised us that it would take a lesser number at a later date."

Q.1075

198. Expenditure on helicopter operational training in the United Kingdom was £35,000 less than the budgeted £60,000. It was anticipated that trainees would receive individual training but the courses were so arranged that more than one trainee shared the same helicopter, thus reducing greatly the number of flying hours. In addition, after the preparation of the Estimate it was found that one officer had already completed the preliminary section of the course and it was not necessary for him to repeat that phase of training. The witness advised that the Department had no prior knowledge of a reduction in the cost of these courses -

Exhibit  
No.64/11

"(Mr. Murphy) We did not become aware of the change in cost until the bills were received from the United Kingdom. We had been advised of the cost of the courses prior to the commencement of the year. Approximately twelve months previous to the estimates going in we had the courses advised. Then in February, when the bills came through, we found that there had been a considerable reduction in some of the flying hours. The cost per hour for the advanced training in Wessex helicopters was reduced from £250 an hour to £183/7/0 an hour."

Q.1079

199. A saving of £21,000 was effected in respect of two courses in helicopter operational training conversion.

200. Subsequent to preparation of the Estimates arrangements were made whereby training was completed in R.A.N.-owned helicopters ex contractors' premises in the United Kingdom.

Exhibit  
No.64/11

201. The balance of under-expenditure was due to minor variations in costs of miscellaneous courses compared with the original estimates.

Exhibit  
No.64/11

202. We were assured by Mr. Murphy that the Department maintains a naval liaison office in the United Kingdom and that when alterations in techniques and cost of courses become known the relevant information is passed on to the Department. In some instances, however, the information would not be available in sufficient time to change the Estimates provisions.

Q.1090

203. Your Committee accept the explanations provided by the Department but suggest that a continuous review is necessary to ensure that established liaison channels are maintained at as efficient a level as is

practicable in the light of the co-operation that may be available from time to time in respect of overseas activities.

- (iv) Division No. 476-03 - Equipment and Stores - H.M.A. Ships, etc. - Ordnance, torpedo stores and ammunition.

Original Appropriation £1,565,000; Expenditure £1,035,127.

204. Although the 1962/63 Estimate of £1,565,000 was approximately £500,000 less than the level of 1961/62 expenditure this vote was underspent by £529,873. We were advised that the under-expenditure was due to delivery delays, non-placement of orders because of a revision of requirements, reduction of costs below estimates quoted and cancellation of orders due to reduced requirements etc.

Exhibit  
No.64/11

205. The witness stated that difficulties are frequently experienced with deliveries from overseas. As much of the material ordered forms part of a larger order placed by Admiralty in the United Kingdom, on its own behalf, it is difficult to obtain exact information regarding the delivery position. Mr. Murphy quoted as an example an order placed in November, 1960, for the supply of fuses. At the beginning of the financial year it was estimated that an amount of £200,000 would be paid during 1962/63 in connection with this order but the revised estimated expenditure dropped to £27,000. On 1st February, 1963, advice was received from England indicating that payments against the order were likely to amount to £332,000 and a week later another signal was received stating that no expenditure would be incurred against the order in 1962/63.

Q.1120

206. Mr. Murphy pointed out that not only were costs subject to fluctuations prior to the delivery date but that, because of the time lag between date of order and date of delivery, equipment and weapons became outmoded and cancellation of orders was sometimes necessary -

"(Mr. Murphy) In the case of some items for which orders are placed with the Admiralty the cost is not always known until the order is completed. When this order was finally completed it was found that the cost was less than we anticipated."

Q.1129

and

"(Mr. Murphy) A lot of these orders for ammunition and that type of equipment have to be placed a considerable time in advance. Delivery is not in our hands, but in the hands of overseas suppliers to the Admiralty. Ours is only a small proportion of the total Admiralty requirements, and new types of weapons and equipment are continually being developed. We had planned to order a certain type of fuse and shell, but the United Kingdom now has a better type and so the order was cancelled rather than have something which would be obsolete."

Q.1130

207. Although disturbed by the magnitude of the under-expenditure Your Committee are satisfied that the original estimate was, in the circumstances, a reasonable one and that the events leading to the under-expenditure were very largely beyond the control of the Department.

(J) Department of Air.

- (i) Division No. 533-02 - Administrative Expenses and General Services - Office requisites, stationery, printing and text books.

Original Appropriation £330,000; Expenditure £314,527.

208. As a further appropriation of £25,000 was granted in Additional Estimates, total under-expenditure under this Item amounted to £40,473.

209. The further funds were obtained to cover the purchase of technical publications as a review of expenditure about February indicated that savings would not be effected elsewhere under the Item to cover the additional requirements. Subsequently it was found that, as a result of new purchasing procedures which were introduced in 1961, expenditure on office requisites, printing and stationery had diminished by comparison with previous years and final expenditure on these items was £40,160 short of the amount provided. Exhibit No.64/12

210. Purchasing of office supplies had formerly been arranged by a central supply authority but under the new procedures purchasing power had been delegated to the user level. This had, in time, resulted in a reduction in the stocks of supplies on hand as the user unit became familiar with the source of supply and more fully aware of the time taken to replenish supplies. Exhibit No.64/12 & Q.1158

211. Mr. M. J. Madden, Acting Assistant Secretary (Finance), Department of Air, informed Your Committee that the likelihood of the under-expenditure did not become apparent until the end of April. Mr. Madden explained why it had not been apparent earlier - Q.1162

"(Mr. Madden) There is a period during which the system settled down to operate, and it was difficult to anticipate what the ultimate effect would be. In the early stages expenditure was still being incurred in connection with orders already placed by the central depots. Then there was a transition period during which stocks fell while the units continued to demand from the stores depots until the stocks there were exhausted. Then there was a period during which they became stocked from their own local sources of supply." Q.1161

212. Your Committee accept the explanations in this instance.

- (ii) Division No. 533-04 - Administrative Expenses and General Services - Fuel, light, power, water supply and sanitation.

Original Appropriation £900,000; Expenditure £958,847.

213. The over-expenditure of £58,847 was covered by the provision of an amount of £80,000 in Additional Estimates.

214. The increase in expenditure during 1962/63 had resulted from the seasonal weather conditions and an extension of the security services as well as from the continued expansion of the Department's activities. When the estimate was raised in February expenditure recorded to date indicated that additional funds of £80,000 would be required. It was subsequently found that expenditure included an amount of £14,000 which had been incorrectly debited to this Item. In addition, expenditure on office cleaning and security services was not as great as had been expected earlier.

Q's 1171  
& 1172

Exhibit  
No.64/12

Q.1170

215. Your Committee accept the explanation but trust the Department will check on its procedures to ensure that charges are at all times debited to the correct Item of appropriation.

- (iii) Division No. 534-02 - Forces Overseas - Buildings and works including repairs and maintenance.

Original Appropriation £150,000; Expenditure £150,567.

216. A further amount of £20,000 was obtained in Additional Estimates making a total appropriation of £170,000 which was underspent by £19,443.

217. The additional funds were obtained to cover higher costs associated with the acquisition of land for the R.A.A.F. School on Penang Island and likely expenditure on new works at Batterworth which were approved subsequent to preparation of the Estimates. Expenditure on works at the Ubon Camp was about £6,000 less than the provision due to the necessity to draw some materials from existing stocks in Australia rather than purchase them locally. The balance of the under-expenditure (approximately £14,500) was due to the non-receipt of a claim from the R.A.F. for shared maintenance in respect of the March/May period.

Exhibit  
No.64/12

218. We were informed by Mr. Madden that the provision for works at Ubon was estimated on the basis of advice received to the effect that all materials were readily available locally. It was found later that the advice relating to availability of materials was incorrect.

Q.1176

219. Mr. Madden stated also that the Department had every reason to believe that claims for maintenance up to the end of May would be received from the R.A.F. prior to the close of the financial year. The Department's financial advisers had kept in touch with the British authorities in an effort to obtain these and other claims.

Q's  
1178  
& 1179

220. It would not have been possible to offset any

of the under-expenditure against the additional provision of £20,000 as the savings were not apparent at the time Additional Estimates were finalised.

Q.1177

221. Your Committee accept the Department's explanations.

(iv) Division No. 536-01 - Equipment and Stores - Airframe, aero engine and aircraft auxiliary equipment.

Original Appropriation £5,297,000; Expenditure £4,329,535.

222. The bulk of the under-expenditure related to the provision of spares for Mirage aircraft. In this connection the Department's explanation read -

Exhibit  
No. 64/12

"The outstanding commitments included a requisition approved in 1961/62 at an estimated cost of £626,000, for a range of maintenance spares to support the first year's operations of the first thirty Mirage aircraft. On advice from the French contractors provision was made for full expenditure on this order in 1962/63.

Amongst the new orders proposed for 1962/63 were requisitions estimated to cost £736,000 for further Mirage maintenance spares to support the second and third years' operations. Provision was made for expenditure of £180,000 on these orders on the basis that substantial cash deposits could be required in accordance with the French contractors' normal trading requirements.

The Mirage aircraft project is being financed under special arrangements involving instalment payments to the French contractors spread over a number of years. Subsequent to the Budget Estimates, these arrangements were extended to permit the maintenance spares requirements outlined above to be obtained under the special funding arrangements rather than on the usual cash basis. The financial adjustment arising from this variation will not take place until 1963/64 and hence the 1962/63 Budget Estimate provisions were not required.

....."

223. We were advised by Mr. Madden that it was not until March, 1963, that it became evident that the bulk of the provision for Mirage spares would not be required in 1962/63. It was even later - May, 1963 - when negotiations were finalised to extend the special funding arrangements to maintenance spares to support the second and third years' spares.

Q.1181

Q.1184

224. The balance of the under-expenditure was due to failure of the major aircraft contractors to the Department of Supply to achieve their forecast expenditure. In respect of certain undercarriage assemblies it became necessary for the contractors to undertake local production rather than purchase them from North America. The change involved a small outlay for setting up local facilities in lieu of payment of

Exhibit  
No. 64/12  
&  
Q.1186

substantial deposits. In connection with the production of turbine blade forgings, substantial savings were effected when man-hour rates were reduced following an enquiry by the cost investigation section of the Department of Supply.

225. Your Committee are satisfied that the under-expenditure could not reasonably have been foreseen by the Department when the Estimates were finalised.

(K) Parliamentary Library

- (i) Division No. 104-2-01 - Administrative Expenses - Books, maps, plates and documents.

Original Appropriation £15,000; Expenditure £13,034.

226. Since the passing of the National Library Act active steps have been taken to separate the Parliamentary and National Library collections. As part of the process of development of the Parliamentary Library it is necessary to obtain certain basic reference sets which are fundamental to the needs of Parliament. Some of these are now out of print and efforts are being made to locate them on the secondhand market and elsewhere. Expenditure under this Item, being partly dependent upon the success or otherwise of those efforts, is claimed to be unusually difficult to estimate. In addition, much of the material is purchased from overseas sources and dates of delivery are sometimes uncertain. Exhibit  
No. 64/13

227. We were informed by Mr. H. L. White, Librarian, Commonwealth National Library, that the estimate of £15,000 was made up of £7,500 for current material and £7,500 for retrospective material. Mr. White explained that the problems of estimating and under-expenditure related to the retrospective materials - Q.1228

"(Mr. White).....With retrospective material, you are buying material which is second-hand. Some of it might not be available at all. The result is that it is almost impossible to plan your vote precisely. You are almost certain to under-spend or over-spend..... Outstanding and unfilled orders at the end of the year totalled £5,000. It is largely fortuitous as to whether these outstanding orders for second-hand material come in or not. When you are dealing with new material that is in print, you can estimate fairly accurately....." Q.1229

228. We were informed by Mr. White that, when it became apparent that the whole of the appropriation would not be required, efforts were made to substitute some alternative purchases. However, the process of substitution presented some problems as it was difficult to gauge just how much of the outstanding material would not be delivered before the close of the financial year. Q.1231

229. Your Committee appreciate the difficulty of estimating expenditure on retrospective material but again direct the attention of Departments to the desirability of relying on Additional Estimates where circumstances suggest that the proposed level of expenditure

might not be attainable. In this instance we accept the explanation but shall expect to observe a better performance in the current year.

- (ii) Division No. 104-2-02 - Administrative Expenses - Subscriptions to newspapers, periodicals and annuals.

Original Appropriation £5,700; Expenditure £3,335.

230. The Library claimed that preparation of the estimate for this Item had been more difficult than usual. -

"The amount sought was intended to cover placement of subscriptions for newspapers, periodicals and annuals at present loaned to the Parliamentary Library by the National Library. Very careful consideration is being given to the selection of this material for the Parliamentary Library collection and final decisions, however, have not yet been made regarding the purchase of important overseas newspapers and other periodicals, rendering the preparation of estimates under this heading more difficult than usual."

Exhibit  
No.64/13

231. Mr. White explained that it had not been simply a matter of deciding whether or not to place orders for particular publications. The question of airmail subscriptions also arose, making it necessary to weigh the value of publications against the cost of obtaining them. In the case of some overseas material it was necessary to investigate the possibility and adequacy of transport other than airmail.

Q.1251

232. We were advised that good progress had since been made with the placing of orders for this material and that there was little doubt that the full amount of the appropriation (£5,700) would be required for 1963/64.

Q.1251

233. Your Committee accept the explanations.

- (iii) Division No. 104-2-03 - Administrative Expenses - Incidental and other expenditure.

Original Appropriation £2,400; Expenditure £2,961.

234. A further appropriation of £1,500 was obtained in Additional Estimates making a total appropriation of £3,900 which was under-spent by £939.

235. We were informed that the process of physically separating the Parliamentary and National Library collections caused difficulties which reduced the volume of material sent to the Government Printer for binding. The under-expenditure was contributed to when the Government Printer was unable to accept material for binding during the last few months of the financial year because of his move to a new building.

Exhibit  
No.64/13

236. Mr. White stated that the additional appropriation of £1,500 had been obtained at a time

Q.1266

when the accumulation of back sets of periodicals was proving difficult to handle. It was considered that this material could be bound before the close of the financial year but unforeseen circumstances prevented its completion.

237. In the circumstances, Your Committee accept the explanations but shall review the position at the close of the 1963/64 financial year.

(L) Department of Primary Industry

- (i) Division No. 355-2-01 - Administrative Expenses - Travelling and subsistence.

Original Appropriation £52,000; Expenditure £48,327.

238. The appropriation was increased to £55,000 by the provision of £3,000 in Additional Estimates resulting in an under-expenditure of £6,673 against the total amounts appropriated.

239. Approximately £1,000 of the under-expenditure was due to the Department's inability to process the volume of accounts received during the final weeks of the financial year. In addition, one account for about £2,100 for which provision had been made, was not received in time for payment to be effected and was carried over into 1963/64. The provision of £650 to cover costs in connection with the attendance of a delegate at an irrigation congress in Tokyo was not required and the balance of under-expenditure (approximately £2,900) was due to an over-estimate of requirements.

Exhibit  
No.64/14

240. The apparent need for additional funds did not come under notice until some time between December, 1962, and February, 1963. At that stage the Department was advised that discussions would shortly be held in Washington to deal with problems related to the production and marketing of grains and meat. The Department's proposal that Australia should be represented by a delegation of three was subsequently approved by the Overseas Travel Committee.

Exhibit  
No.64/14  
&  
Q's 1293  
& 1295

241. Mr. J. D. Macfarlane, Assistant Secretary, Inspection and Administrative Division of the Department of Primary Industry, informed Your Committee that the volume of accounts handled jointly by the Departments of Trade and Primary Industry during June 1963 was far in excess of that for an average month and was beyond the capacity of the Department's machine posting resources. Approximately 10,000 accounts were handled during the financial year but more than 2,000 of these were received during June. Two additional machinists were brought in to assist and a considerable amount of overtime was worked but even then it was not possible to clear all accounts by the close of the year. Mr. Macfarlane stated that, as from 1st July, 1963, the Treasury has taken over posting of the Department of Primary Industry's accounts, thus eliminating the possibility of future delays for the reason experienced in June, 1963.

Q.1305

242. Expenditure of about £2,100 arising out of the attendance of two officers at an International Whaling



Conference in London was not brought to account during 1962/63. The conference was not held until June, 1963, and insufficient time then remained in which to bring the expenditure to account.

Exhibit  
No.64/14

243. Provision was made by the Department for expenditure of £650 in connection with the attendance of a delegate at the 5th Congress of the International Commission on Irrigation and Drainage in Tokyo. It is usual for the Department to meet expenditure of this nature even where the delegate is not a departmental officer. On this occasion an officer of a State Department attended and a claim for reimbursement of expenses was not received. Asked when his Department became aware that it would not have to meet the expense, the witness replied:-

Exhibit  
No.64/14

Q.1301

"(Mr. Macfarlane) We have not been told officially yet and we are hoping that we will not be told. We felt that we had to keep the books open to 30th June and at this stage we hope that it will not come in. We are not going to ask for it."

Q.1304

244. Your Committee appreciate the difficulty which the Department experienced at the close of the financial year when the flow of claims increased abnormally and we note that action has now been taken to avoid a recurrence. However, the evidence we received did not indicate that sufficient attention had been given to the preparation of the estimate of expenditure against this vote. The Department admitted to an over-estimate of £2,900 for which it was unable to provide any detailed explanations. Further, whilst provision of £650 was made for representation at the Irrigation Congress the witness was uncertain whether any expense would be incurred by his Department in this regard. Your Committee consider that, in cases such as this, departmental liability should be ascertained before representation arrangements are completed and, if this is not practicable, funds should not be sought until the actual indebtedness is known. If necessary the required funds could be obtained from the Advance to the Treasurer.

- (ii) Division No. 358-1-03 - Administration of Commerce (Trade Descriptions) Act - Salaries and Payments in the nature of Salary - Extra duty pay.

Original Appropriation £12,000; Expenditure £707.

245. In the main, expenditure under this Item of appropriation is recoverable. Where inspectors engaged in the inspection of goods for export are required by the exporter to perform their duties outside the normal working hours, the exporter is charged a fee which is intended to reimburse the Department for the cost of the overtime paid to the inspector. During 1962/63 total payments under the Item amounted to approximately £130,000 and all but £707 was recovered. The Department submitted that the appropriation of £12,000 was obtained to cover the maximum outstanding debit that would be recorded under the Item at any time during the year.

Exhibit  
No.64/14

246. The very marked difference between appropriation and expenditure followed a similar situation in 1960/61

(appropriation £10,000; expenditure £5,613) and in 1961/62 (appropriation £20,000; expenditure £11,287).

247. The Treasury observer, Mr. R. Murden, Chief Finance Officer, stated that there appeared to be an alternative way of dealing with expenditure in a situation such as this, namely, that the Department could estimate the final expenditure - seeking an appropriation of a corresponding amount - and obtain Warrant Authority from Treasurer's Advance, pending recovery, to cover expenditure at any time during the year in excess of that appropriation. Mr. Macfarlane expressed the view that his Department would experience great difficulty operating under such a system and expressed his desire to discuss the matter further with Treasury before a change was made. Q.1341 Q.1342

248. Mr. A. K. Ragless, Senior Inspector, Auditor-General's Office, pointed out that the position might be clearer if separate Items were provided for recoverable overtime and for non-recoverable overtime followed by a credit Item for the recovery. Q.1361

249. Your Committee are convinced that the present method of treatment of this Item is unsatisfactory and misleading. We note that the matter has already received some attention within the Treasury and trust that a more suitable method of presentation is agreed upon prior to the compilation of 1964/65 Estimates.

(iii) Division No. 358-2-06 - Administration of the Commerce (Trade Descriptions) Act - Administrative Expenses - Incidentals and other expenditure.

Original Appropriation £16,000; Expenditure £12,871.

250. A further amount of £2,000 was appropriated under Additional Estimates to cover the costs of clothing and equipment and of travelling and removal expenses arising out of approval to employ an additional 70 meat inspectors. The total appropriation of £18,000 was underspent by £5,129. Exhibit No.64/14

251. The under-expenditure was attributed to (a) provision of an amount for inspection expenses which were recoverable (£1,300), (b) receipt of accounts from the Government Printer too late to enable payment to be effected (£1,200) and (c) non-requirement of funds provided in Additional Estimates (£2,000). Exhibit No.64/14

252. Referring to the recoverable expenditure, Mr. D. P. Cleary, Finance Officer, Department of Primary Industry, stated that, in drafting the Estimate, it had been overlooked that expenditure of £1,300 was recoverable from the Dried Fruits Board. The oversight was not detected until after the close of the financial year. Q's 1363 & 1364

253. Mr. Cleary informed Your Committee that failure to process accounts submitted by the Government Printer was due in part to late rendition of accounts. The principal factor, however, was the difficulty experienced by the Department in processing a large number of claims during the closing stages of the year. This problem has been referred to above in Q's 1368 & 1369

paragraphs 238 to 244.

254. Although 49 of the 70 newly-approved positions of meat inspector had been filled prior to the close of the year, none of the £2,000 provided in Additional Estimates to cover expenditure arising out of the appointments was expended. The shortfall in recruitment was a contributory factor. In addition it was found that the inspectors could be issued with protective clothing from stocks on hand, which could be replenished in the following year. Recruitment of inspectors from within the area in which they were to be employed eliminated the expenditure on removal and travel, for which provision had been made.

Exhibit  
No.64/14

Q.1375

255. Here again the evidence obtained by Your Committee indicated that insufficient attention has been given to the preparation of estimates. Not only was an over-provision made in the original estimate, but a review of expenditure prior to finalisation of Additional Estimates failed to reveal this error. Further, provision appears to have been made in Additional Estimates for a level of additional expenditure beyond that which could be regarded as reasonable - particularly insofar as it related to protective clothing, stocks of which were later found to be sufficient to meet current needs.

- (iv) Division No. 359-1-01 - Division of Agricultural Economics - Salaries and Payments in the nature of Salary - (Permanent Officers).

Original Appropriation £175,500; Expenditure £158,954.

256. Provision was made in the appropriation for the appointment of eighteen additional Research Officers, Grade 1, and of six Beef Research Officers. It was anticipated that the new appointees would take up duty mid-way through the financial year. In fact, only 17 appointments were made and, due to delays in obtaining medical and administrative clearances and because some officers were recruited overseas, the majority of appointees did not take up duty until May or June, 1963. In addition five of the positions were filled by officers who were already on the staff of the Division and consequential savings resulted.

Exhibit  
No.64/14

257. Mr. Macfarlane informed Your Committee that, although delays had been experienced in making the appointments, the establishment is now relatively well filled, making the staff outlook for the future much more promising.

Q.1400

258. Your Committee accept the explanations offered by the Department.

- (v) Division No. 359-2-01 - Division of Agricultural Economics - Administrative Expenses - Travelling and subsistence.

Original Appropriation £32,000; Expenditure £23,184.

259. Some difficulty was experienced also in 1961/62 in estimating expenditure under this item. In that year the total appropriation of £23,300 was underspent by

£3,915. Referring to the under-expenditure during the past two years Mr. Macfarlane informed Your Committee that estimated expenditure had been based on the Division's programme of research - a programme which was dependent on the availability of staff as well as other factors -

"(Mr. Macfarlane)....In good faith at the beginning of each year the Division of Agricultural Economics works out its research programme for the coming year. We on the accounts side can work out only an estimate of what will be needed to carry out that programme. The fact that they cannot get the staff is the main problem. This factor and other factors upset our calculations so much that this year we have discounted a lot of our research and we have gone back to something like the previous estimates."

Q.1428

260. During 1962/63 delays in implementing the research programme were due almost completely to staff recruitment difficulties which have been referred to above in paragraphs 256 to 258. Prolonged heavy rain in Queensland also contributed to the delays.

Exhibit  
No.64/14

261. Your Committee note that the 1963/64 estimates appear to have been based on a more realistic appraisal of the research programme and trust that the desired improvement will result.

(M) Department of Territories.

- (i) Division No. 375-1-02 - Administrative - Salaries and Payments in the nature of Salary - Temporary and casual employees.

Original Appropriation £53,000; Expenditure £48,789.

262. In 1961-62 expenditure under this Item amounted to £51,160 but, as some of the staff had not been employed for the whole of the year, it was considered that the appropriation should be raised to £53,000 for 1962/63. During the course of 1962/63, however, twelve temporary employees were appointed as permanent officers and their salaries became a charge against Item 01. Difficulty was experienced in filling the vacant temporary positions and this caused a further under-expenditure of £4,211.

Q.1433

Exhibit  
No.64/15

263. Mr. B. H. Coughlin, Senior Finance Officer, Department of Territories, stated that as vacancies for staff arose requests were made to the Public Service Board for assistance to fill them. However, delays of up to two months were encountered by the Department in recruiting staff for certain positions, for example, typists.

Q.1434

264. The Public Service Board observer, Mr. F. C. Nordeck, Assistant Commissioner, Public Service Board, confirmed that delays are experienced in engaging typists -

"(Mr. Nordeck)....there have been and still are difficulties in recruiting certain staff,

particularly typists. For a number of years we have been forced to run our own training schemes for them. Seldom can a request be met on demand. People are not waiting unemployed for employment in the Commonwealth service....."

Q.1436

265. Your Committee are satisfied that the difficulties in this instance were beyond the control of the Department.

- (ii) Division No. 375-2-02 - Administrative Expenses - Office requisites and equipment, stationery and printing.

Original Appropriation £19,500; Expenditure £13,827.

266. About £870 of the under-expenditure related to stationery supplies. The Department's stationery requirements were over-estimated by £750 and an unexpected delay in delivery of forms accounted for the remaining £120. The major proportion of the under-expenditure (£4,000) resulted from a decision not to proceed with plans for a centralised dictating service and an inter-communication system in the Department's central office.

Exhibit  
No.64/15

267. We were informed by Mr. Coughlin that the over-estimate of £750 related to the proposed introduction of new procedures which necessitated the design and printing of radically different forms. Considerable difficulty was experienced in assessing the quantity of these forms to be ordered and their eventual cost.

268. When plans were made for the Department to move into new premises in Canberra it was intended to install a centralised dictating service at a cost of £2,500. Funds were provided in the 1962/63 appropriation but it was subsequently decided that a satisfactory dictating service could be provided by a series of individual dictating machines. This latter equipment was eventually purchased at a cost of £500. Mr. Coughlin stated that the individual machines had only come to the notice of the Department's organisation and methods officers in July, 1962 -

No.64/15

"(Mr. Coughlin) I do not know exactly when they came on the market but they only came to the knowledge of the O. and M. officers who were investigating this matter about July (1962). Prior to that when we had proposed moving to our new premises, the O. and M. officers inspected the system in use at the Public Service Board and were quite impressed with it. The Department decided that that was the system that would be most suitable for the Department. Subsequently, this new 81-R machine came to the notice of the O. and M. officers. These new 81-R machines had many improvements over the old machines, from a technical point of view. It was decided then that we could get a service which would be very satisfactory and cost only a fraction of the money which the tapewriter service would cost. The difference was about £2,000."

Q.1464

269. An amount of £1,500 was provided in 1962/63 Estimate for the installation of an inter-communication system in the Department's new premises. However, the Postmaster-General's Department did not approve of the type of equipment it was proposed installing and the expenditure was not incurred. Exhibit No.64/15

270. Mr. Coughlin indicated that in early discussions with the Postmaster-General's Department no objection was raised by that Department. The objection apparently arose when the Department of Territories sought approval for the equipment to be coupled to the P.M.G. wiring to obviate the need for two sets of telephones. Q.1473 Q.1480

271. Your Committee accept the explanations provided but desire to draw the attention of departments generally to the desirability of a thorough examination of equipment proposals by organisation and methods personnel, in collaboration with other experts wherever possible, before funds are sought for their implementation. Due regard should also be given to the fact that it is often more desirable to arrange for further funds to be provided in Additional Estimates or from Treasurer's Advance rather than to make unsound estimates for the original appropriation for the year.

(iii) Division No. 751-2-06 - Northern Territory Administration - Administrative Expenses - Advertising.

Original Appropriation £9,000; Expenditure £5,142.

272. The appropriation of £9,000 was estimated on the basis of expenditure of £7,204 in 1961/62. The under-expenditure of £3,858 resulted from the implementation of a policy of more selective advertising, particularly of staff vacancies. This new procedure followed an examination by the Department of the cost and effectiveness of the 1961/62 advertising campaign. Exhibit No.64/15

273. Referring to the analysis of the 1961/62 advertising, Mr. L. L. Gillespie, Assistant Administrator, Northern Territory Administration, stated -

"(Mr. Gillespie).....The main avenues were in advertising for professional positions. We found it preferable to advertise in the Gazette and only in the professional journals rather than to place display advertisements in the newspapers because it was shown that the display advertisements really do not bring any greater response than do advertisements in the professional journals.....Another way in which we have saved to a lesser degree is in the invitation of tenders. Many items for which we were inviting tenders regularly are now on a period contract basis which means that we invite tenders once a year instead of possibly several times a year....."

274. Your Committee accept the explanations and note that the under-expenditure resulted from economies made possible by a commendable review of existing procedures.

- (iv) Division No. 751-3-01 - Northern Territory Administration - Welfare of Wards - Maintenance of wards at Government settlements.

Original Appropriation £667,000; Expenditure £563,718.

275. The under-expenditure of £103,282 is for the sake of convenience examined here under the three sub-headings (a) operation of settlements and training (£41,365); (b) food and clothing, less recoveries (£83,201), and (c) wages (£2,730). An under-estimate of freight requirements offset the under-expenditure to the extent of £24,014.

(a) Operation of settlements and training (£41,365).

276. Provision was made for the purchase of cattle for the re-stocking of Haasts Bluff and the introduction of cattle to Maningrida, Snake Bay and Delissaville. The Department's explanation revealed why the proposed purchase of cattle was not proceeded with in 1962/63 -

Exhibit  
No.64/15

"....."

In the event, the drought conditions at Haasts Bluff were not relieved as early as expected and before re-stocking it was decided to undertake a complete muster to determine the precise extent of the losses experienced. The operation engaged the full attention of the staff and action is only now being taken to purchase the new breeders.

Cattle were not introduced at Maningrida, Snake Bay and Delissaville due to lack of fencing which was first to be erected under staff supervision. These and other settlement projects have had to be deferred because of the grave staff shortage. At 30/6/63 there were still 54 vacant staff positions on Settlements and the average shortage during the year was 94. This situation has seriously affected planned programmes and resulted in under-expenditure on cattle, fencing materials, fishing gear, tools and materials.

"....."

277. Difficulties were experienced in obtaining successful bores on a number of Settlements, resulting in the non-installation of diesel-engined pumps and subsequent savings in expenditure in fuel. Delayed installation of two coolrooms also contributed to the under-expenditure.

Exhibit  
No.64/15

278. Mr. H. C. Giese, Director of Welfare, Northern Territory Administration, informed Your Committee that, although a drought was in progress when estimates were prepared, there were hopes of a reasonable season and the Administration wished to be in a position to proceed with re-stocking when conditions permitted.

Q.1520

279. Mr. Giese was questioned on plans to stock Maningrida, Snake Bay and Delissaville and explained that staffing difficulties had intervened -

"(Momber).....Why was provision made for stocking the Manningrida, Snake Bay and Delissaville areas before fencing operations had been carried out?.....(Mr. Gieso) Again, it is one of those things where you try to meet a problem involving staff, the provision of equipment, stockyards and other accessories so that you can get the stock to operate in the area. In respect of staff appointment difficulties, we were not able to get the staff in these areas when we expected and therefore the fencing programme could not be undertaken..."

Q.1526

280. Installation of coolrooms had been delayed by the difficulty in securing a particular type of low-speed engines which are considered more suitable, having regard to maintenance problems in isolated areas. Q.1537

(b) Food and clothing, less recoveries (£83,201).

281. The provision for food and clothing was based on 1961/62 costs. However, improved purchasing techniques and very competitive tendering resulted in significantly reduced costs during 1962/63. In addition, recoveries from the Department of Social Services and from other sources were £39,302 in excess of the £82,000 allowed for.

Exhibit  
No.64/15

282. Mr. Gillespie explained to Your Committee how the cost reductions had been achieved -

"(Mr. Gillespie) We have adopted various means to improve our purchasing techniques. One is bulk purchasing under period contracts. That applies particularly to the foodstuff lines. Some two years ago - it may have been three years - at the request of the Department of the Treasury a Northern Territories supply and tender board was set up. That board has produced very good results in that it has called tenders once each year for all basic grocery and foodstuff lines. By inviting tenders for the combined needs of the Department of Health and the Northern Territory Administration on an annual contract basis we have got much better prices. That is one side of the story. The other side is that southern firms are becoming more and more interested in the Northern Territory. A further factor is that certain local prices have been lower....."

Q.1538

283. Recoveries against expenditure on food and clothing exceeded the Department's estimate by almost 50%, due in part to the oversight of certain recoverable items. The principal variation was in the recovery of child endowment, age, invalid and widows' pensions and maternity allowances from the Department of Social Services (more than £35,000 in excess of the estimated £82,000).

Exhibit  
No.64/15

(c) Wages (£2,730).

284. Expenditure on wages was only £2,730 short of the estimated £130,000. A shortfall attributable to difficulties in recruiting and holding skilled tradesmen was partly offset by increased native employment.



285. Freight: An amount of £40,000 was provided in the estimate to cover freight charges but this amount was found to be £24,014 short of actual requirements. Mr. Gillespie explained that prior to 1962/63 this expenditure had not been costed separately. The Department had no figures on which to base its estimate but in the light of its experience during 1962/63, was now in a position to estimate future needs with far greater accuracy.

Exhibit  
No.64/15  
Q's 1548  
& 1549

286. Your Committee accept the explanations offered with the exception of those relating to recoveries under (b) above (paragraph 283). It is difficult to understand how the Department, with years of experience in the field, could under-estimate the extent of Social Services Department reimbursements by as much as 30%. The Department's admission of oversight in relation to two other aspects of this recoverable expenditure is, perhaps, just an indication of how much more care should be taken in framing a reliable estimate. We trust that the necessary additional care will be exercised in this matter on future occasions.

- (v) Division No. 751-3-02 - Northern Territory Administration - Welfare of Wards - Maintenance of wards on pastoral properties.

Original Appropriation £100,000; Expenditure £79,360.

287. The 1962/63 estimate was based on a new ration scale for aged and infirm and other dependent wards maintained by pastoralists. The Department experienced unforeseen delays in having the various Pastoral Lessees' Associations accept the introduction of the new scale and, consequently, only a few claims were paid at the increased rates during 1962/63.

Exhibit  
No.64/15

288. Mr. Giese explained to Your Committee the basis upon which the ration scale was arrived at and referred to some of the objections which had been raised -

"(Mr. Giese) The ration scale is a scale which is laid down by the Commonwealth Department of Health as being a basic ration for these people. The scale has been discussed with the pastoral managements over a period of something like six years during which time we have had discussions with them covering the whole range of employment conditions for aborigines on pastoral properties....."

Q.1567

and

"(Mr. Giese).....In the event the pastoral managements decided that the amount which the Government was prepared to offer in respect of children was sufficient but that the amount in respect of adults was not sufficient, and both the Northern Territory Lessees' Association and the Northern Cattlemen's Association have not agreed on ration up to the full scale for the adult and they are not seeking a reimbursement at that level. They are prepared to accept the ration for the children and to seek reimbursement up to that level."

Q.1564

289. Portion of the under-expenditure was due to the fact that some pastoral managements had not claimed amounts due in respect of maintenance of wards. Outstanding claims amounted to £7,691 of which £2,939 related to the 1961/62 financial year. Q.1568

290. Your Committee trust that every endeavour will be made by the Department to reach a speedy and satisfactory settlement with pastoral interests regarding the new ration scale.

(vi) Division No. 751-3-03 - Northern Territory Administration - Welfare of Wards - Assistance to Missions.

Original Appropriation £601,000; Expenditure £490,144.

291. The under-expenditure of £110,856 occurred under three sub-heads of expenditure - (a) Maintenance of aged and infirm, hospital cases, etc. on Missions (£64,852); (b) Operational subsidy to Missions (£38,025); and (c) Unemployment relief (£10,000). Exhibit No.64/15

(a) Maintenance of aged and infirm, hospital cases, etc. on Missions (£64,852).

292. Based on the proposed introduction of a new ration scale from 1st July, 1962, an amount of £226,000 was provided under the sub-item. However, due to transport and other difficulties, the various Societies were unable to introduce the new ration scale as early as had been anticipated - on some Missions it was not introduced until April, 1963. Referring to these delays, Mr. Giese stated - Exhibit No.64/15

"(Mr. Giese).....Their final agreement to introduce it was obtained, I think, in April or May before the commencement of the financial year. In the event, however, this meant that organisations like the Church Missionary Society which has to maintain settlements in Arnhem Land serviced through Brisbane and Thursday Island, were in some difficulty in stockpiling supplies and getting them to the missions in the very remote areas within a fairly short time after the approval had been given for the new scale to be introduced." Q.1570

293. Mr. Giese stated that, in framing the estimates, the Department took into account possible delays and difficulties which might be experienced. However, it was felt that every endeavour would be made by the missions to introduce the new rations as early as possible and the Administration was anxious to avoid possible embarrassment of being unable to meet its commitments due to a shortage of funds. Q.1571

(b) Operational subsidy to Missions - £38,025.

294. The operational subsidy provides assistance for specialists in certain categories employed by the Missions. The provision of £166,230 for this purpose during 1962/63 was based on a survey conducted amongst the Missions. Recruitment expectations were not fulfilled, however, and, in some instances, staff Exhibit No.64/15

numbers fell to below the July 1962 level.

295. Mr. Giese explained that the Administration attempts to secure from the Missions an accurate estimate of probable staff recruitment and wastage. The Missions tend to overstate their recruitment prospects and this tendency is offset to some extent by the Administration's discounting some of the estimates submitted. Following the 1961 Missions' Administration Conference a number of additional categories of staff were approved for subsidy and it was in those new categories that particular difficulty was experienced in recruiting staff.

Q's 1574  
& 1576

(c) Unemployment relief (£10,000).

296. The Department's explanation stated -

".....

A sum of £10,000 was provided for unemployment relief following discussions with the Missions who were concerned about employment opportunities for natives now undergoing training and attending school. The amount was provided to enable the Societies to undertake special development projects thus finding work for able-bodied natives. In the event no applications were received during 1962/63 and no expenditure was recorded." Exhibit No.64/15

297. Because of the conditions that the Government lays down in the submission of accounts the Bishop of Darwin decided he would not take part in this programme and alternative arrangements were made to provide some relief which became a charge against other appropriations. No similar provision has been included in the estimate for 1963/64. Q.1577 Q.1575

298. Your Committee are fully appreciative of the difficulties confronting the Administration and of the need to keep faith with the Mission Societies by assuring a continuity of funds. We consider, however, that insufficient regard has been had to the procedure available for obtaining funds from Additional Estimates. In the case of an appropriation such as this - where expenditure depends upon circumstances outside departmental control - consideration might be given to making a more conservative original estimate than would appear to have been the practice in the past, followed up by a careful review of expenditure prior to the finalisation of Additional Estimates. The result in 1963/64 will be viewed by Your Committee with great interest.

(vii) Division No. 751-3-04 - Northern Territory Administration - Welfare of Wards - Educational services.

Original Appropriation £75,000; Expenditure £43,903.

299. The reasons given for the under-expenditure of £31,007 included the shortage of teachers, delays in ordering school supplies, failure to open new schools as planned, deferment of a teachers' conference and difficulties in conducting a number of training courses.

Exhibit  
No.64/15

300. The amount provided for schools on pastoral properties was underspent by more than £6,000. Provision had been made for the opening of new schools at Victoria River Downs, Kunindi and Epinarra but it was not possible to proceed with the schools as planned. In addition the school at Elsey was closed by the pastoral management and schools at Kildurk and Moroak were open for only part of the year, due to teacher shortages. Mr. Giese outlined arrangements for the provision of schools on pastoral properties and referred to some of the difficulties encountered -

"(Mr. Giese).....Broadly, the arrangement is that the pastoral management will provide a suitable building for a school for which the Government will pay 10 per cent of the capital cost as annual rental, re-imburse the pastoral management £750 for a teacher, and do certain other things in regard to additional rations and the provision of wages for native assistants. We get a pastoral management to a stage where they are ready to do these things and engage staff, but for some reason, they lose staff or the staff go after a short period because they do not like the conditions and the schools are closed.....in good faith, when we reach a certain stage of negotiation with these pastoral managements, we make some provision because our objective is to get as many aboriginal children into school as we can....."

Q.1584

301. An amount of £2,000 was provided for accommodation and fares for Mission school teachers to attend a Triennial Teachers' Conference during 1962/63 but the conference was deferred till September, 1963, pending changes in curriculum and no expenditure was incurred.

Exhibit  
No.64/15

302. Mr. Giese stated that it was not until late in 1962 that the Minister had decided upon a revision of the curriculum and it was then felt that, in the circumstances, the teachers' conference should be deferred. At the time of our enquiry the conference was in progress.

Q.1586

303. The provision of £21,000 for post school vocational training was underspent by more than £12,000. It was proposed that a number of training courses for wards should be conducted during 1962/63 covering such activities as hygiene training, cooking and butchering, fishing, patrol work and medical work but, in the face of various difficulties, many of the proposed courses were not conducted. The shortage of skilled instructors was the main obstacle but difficulty was experienced in some instances in securing suitable facilities. As the courses were carefully planned, having regard to employment opportunities, it was not possible to substitute alternative courses when the proposed courses were cancelled.

Exhibit  
No.64/15

Q.1589

304. Whilst many of the difficulties encountered were unforeseen and completely unavoidable, Your Committee consider that, as in the case of Division No. 751-3-03 (see paragraphs Nos. 291 to 298 above), insufficient consideration was given to the probability that difficulties may arise and what arrangements could have been made for further funds, if required, to be made available in Additional Estimates. This comment applies

particularly in respect of post school vocational training where an ambitious programme appears to have been organised without due regard to the possible availability of instructors and facilities.

- (viii) Division No. 971-01 - Northern Territory  
(Capital Works and Services) - Plant and equipment.

Original Appropriation £522,000; Expenditure £475,851.

305. Expenditure under this Item attracted the attention of Your Committee in 1961/62 also when the appropriation of £596,000 was under-spent by £256,420. The under-expenditure of £46,148 in 1962/63 represents a considerable improvement on the previous year's performance.

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306. Delays in the delivery of orders were partly responsible for the under-expenditure in 1962/63 - at 30th June, 1963 outstanding orders amounted to £63,563. In many instances, however, the orders were not placed until the last three or four months of the financial year. In addition, £12,657 of the original programme was not committed.

Exhibit  
No.64/15

307. Referring to the amount not committed, the witness, Mr. Gillespie, stated that £9,760 related to a fire engine for Darwin, the ordering of which had apparently been overlooked -

Q.1595

"(Mr. Gillespie) I think it arose from an error. There was a certain number of fire engines on the programme. An officer thought that all the orders had been placed, but it was discovered only late in the financial year that there was one which had not been covered. This arose from the fact that there was a revoked item from the previous year. It was simply an error."

Q.1598

308. The remainder of the amount not committed was stated to have been the result of actual costs proving to be less than estimated costs and of items being included in the programme which were no longer required.

Exhibit  
No.64/15

309. Mr. Gillespie explained that staffing difficulties during the wet season had delayed the placement of orders and that under-expenditure had resulted -

"(Mr. Gillespie) Tenders were invited during the early part of the year, but because of the difficulties of staffing during the wet season the orders were not placed till about March. Apart from the imported items, I think that practically all items had come to hand at the end of the year. There was a number of items with long delivery periods, and they were the ones that caused the under-expenditure."

Q.1603

310. Delivery of some orders was delayed as a result of flood conditions between Adelaide and Alice Springs. Late delivery of these orders effected expenditure by a substantial amount -

"(Mr. Gillespie) The disruption of the train services caused the bank-up of items in Adelaide, or Port Augusta, and it took some weeks to clear that bank-up. I know that there was quite a substantial amount that would otherwise have been spent. It would probably run into a few thousand pounds."

Q.1606

311. Mr. Gillespie expressed the view that, apart from a period during the wet season, the performance of the purchasing section had been "rather good" during 1962/63 and continued to be good in the early stages of 1963/64. For the first time in a long while there was now a full staff and it was therefore not expected that there would be the same difficulty during the current year.

Q.1609

312. Though not completely satisfied with the performance during 1962/63, Your Committee note the more satisfactory position as compared with the previous financial year. We shall review the Item again next year and trust that further improvement will have been achieved.

### CHAPTER III - OTHER ITEMS CONSIDERED

313. Apart from the Items which were investigated at a series of public hearings and which have been reported on in Chapter II, Your Committee examined many other Items which were not the subject of further oral examination. Departmental explanations were sought and obtained for other appropriations which were substantially either under or over-expended in the financial year 1962/63.

314. Your Committee list hereunder those Items which we considered, after an examination of the explanations received, not to require further investigation or special comment in Chapter II.

#### PRIME MINISTER'S DEPARTMENT.

Divisions No. 128/1/01, 128/2/01 and 03, 836/01 and 02.

#### OFFICE OF EDUCATION.

Divisions No. 127/2/01, 03 and 07.

#### AUDIT OFFICE.

Divisions No. 132/1/03 and 132/2/01.

#### PUBLIC SERVICE BOARD.

Divisions No. 133/2/01 and 03.

#### DEPARTMENT OF EXTERNAL AFFAIRS.

Divisions No. 141/1/03, 141/2/08 and 10, 141/3/07 and 08, 142/2/03, 146/1/03, 146/2/08, 148/1/02, 150/2/06, 152/2/03 and 06, 154/2/05, 155/2/06, 157/2/06, 161/2/04 and 06, 164/2/06, 165/2/05, 172/2/05, 177/1/02, 04 and 05, 178/1/01 and 02, 180/2/06, 181/2/06, 183/2/04, 05 and 06, 185/1/01, 188/1/01 and 03, 841/01, 02 and 08, 845/01 - under control of Department of Works.

#### DEPARTMENT OF THE TREASURY.

Divisions No. 191/1/02, 191/2/02 and 08, 192/01, 846/03.

#### TAXATION BRANCH.

Divisions No. 193/1/02, 193/2/06.

#### SUPERANNUATION BOARD.

Divisions No. 196/1/01 and 03, 196/2/01.

#### BUREAU OF CENSUS AND STATISTICS.

Divisions No. 197/2/01, 04, 07 and 09.

#### GOVERNMENT PRINTER.

Divisions No. 201/1/02 and 03.

ATTORNEY-GENERAL'S DEPARTMENT.

Divisions No. 212/1/01 and 03, 212/2/04,  
216/2/01, 219/1/02, 222/2/01, 05 and 07.

DEPARTMENT OF THE INTERIOR.

Divisions No. 231/1/02, 233/1/01, 233/2/10,  
235/1/03, 235/2/04, 05 and 06, 243/1/01, 464,  
465, 688/1/03, 688/2/01 and 04, 766/1/02,  
766/2/01, 766/4/05, 769/2/03, 05 and 08,  
856/01, 980/01, 08 and 09.

BUREAU OF METEOROLOGY.

Divisions No. 240/2/07, 241/2/01 and 04, 856/03.

DEPARTMENT OF WORKS.

Divisions No. 251/1/02 and 03, 251/2/15 and 17,  
255/02, 08 and 18, 775/03 and 04, 855/01,  
880/01, 905/01.

DEPARTMENT OF CIVIL AVIATION.

Divisions No. 261/1/01 and 02, 261/2/01 and 02.

DEPARTMENT OF CUSTOMS AND EXCISE.

Divisions No. 281/1/03, 281/2/01, 04 and 09, 880/01.

DEPARTMENT OF HEALTH.

Divisions No. 291/1/02, 291/2/05, 291/3/02 and 04,  
292/1/02 and 03, 292/2/02 and 07, 293/1/01 and  
03, 293/2/04 and 11, 293/3/05, 762/2/01 and 02,  
762/3/02, 776/06.

DEPARTMENT OF TRADE.

Divisions No. 306/2/04, 312/1/02, 312/2/04, 315/2/03,  
317/2/07, 319/1/02, 323/2/01, 325/1/02, 327/1/01  
and 02, 339/2/01, 345/2/04, 353/1/01, 353/2/02.

DEPARTMENT OF PRIMARY INDUSTRY.

Divisions No. 355/1/03, 355/2/04 and 05, 358/1/02,  
358/2/01, 358/3/01, 359/1/03.

DEPARTMENT OF SOCIAL SERVICES.

Divisions No. 360/2/02 and 04, 364/2/05, 08, 09  
and 10.

DEPARTMENT OF SHIPPING AND TRANSPORT.

Divisions No. 368/1/01 and 03, 368/2/01, 03 and 05,  
373/2/03, 373/3/01, 909/02 and 03.

DEPARTMENT OF TERRITORIES.

Divisions No. 375/2/05, 750/1/01, 02 and 03,  
751/2/08, 751/3/05, 751/4/01, 08, 09, 24, 27 and  
38, 751/5/01, 02, 03, 04, 06 and 07, 971/02, 03,  
07, 08 and 11, 991/01.



DEPARTMENT OF IMMIGRATION.

Divisions No. 381/2/04 and 06, 386/1/01 and 03, 386/2/01 and 02, 387/2/04, 389/1/02, 389/2/04, 390/1/01, 02 and 03, 390/2/01, 02, 03, 05, and 08, 396/1/01 and 02, 396/2/01, 02 and 05, 921/01.

DEPARTMENT OF NATIONAL DEVELOPMENT.

Divisions No. 411/2/01 and 06, 413/1/02, 417/01.

DEPARTMENT OF DEFENCE.

Divisions No. 451/1/03, 451/2/01, 04, 05, 06, 07 and 08, 452/1/01 and 02, 452/2/02 and 05, 453/1/01, 02 and 03, 457, 464, 465 - under control of Department of the Interior, 467 and 468 - under control of Department of Works.

DEPARTMENT OF THE NAVY.

Divisions No. 471/1/02, 475/10 and 11, 476/05 and 06, 483, 484, 490 - under control of Department of the Interior.

DEPARTMENT OF THE ARMY.

Divisions No. 502/1/03, 504/04, 513, 520 - under control of Department of the Interior.

DEPARTMENT OF AIR.

Divisions No. 532/1/03, 533/12 and 13, 536/06 and 07, 543, 552 - under control of Department of the Interior.

DEPARTMENT OF SUPPLY.

Divisions No. 561/2/07, 562/01, 04 and 05, 565/2, 565/3, 565/4, 567/01, 568/01, 569, 581 - under control of Department of the Interior.

REPATRIATION DEPARTMENT.

Divisions No. 671/1/03, 671/2/03, 673/1/02, 673/2/02, 03 and 04, 675/02, 679/02 - under control of Department of Works.

WAR SERVICE HOMES.

Divisions No. 680/1/01 and 03, 680/2/01 and 04.

COMMONWEALTH RAILWAYS.

Divisions No. 698/1, 699/3, 700/1, 700/3, 701/3, 950/02.

POSTMASTER-GENERAL'S DEPARTMENT.

Divisions No. 958/01 - under control of the Department of the Interior, 960/01 - under control of the Department of Works, 963/02, 970/04 - under control of the Department of Works.

AUSTRALIAN BROADCASTING COMMISSION.

Division No. 964/01.