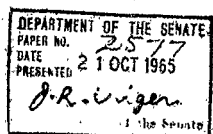


1965



THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

JOINT COMMITTEE OF PUBLIC ACCOUNTS

SEVENTY-THIRD REPORT

THE DEPARTMENT OF SOCIAL
SERVICES

By Authority:

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

MR. PRESIDENT:

ON BEHALF OF THE JOINT COMMITTEE OF PUBLIC ACCOUNTS
I SUBMIT THE SEVENTY-THIRD REPORT OF THE COMMITTEE RELATING
TO THE DEPARTMENT OF SOCIAL SERVICES.

MR. PRESIDENT, I SEEK LEAVE TO MAKE A SHORT STATEMENT.

(WHEN LEAVE HAS BEEN GRANTED) -

YOUR COMMITTEE'S INQUIRY INTO THE ACCOUNTS AND OPERATIONS
OF THE DEPARTMENT OF SOCIAL SERVICES, UNDER SECTION 8 OF THE
PUBLIC ACCOUNTS COMMITTEE ACT 1951, CONSTITUTES THE FIRST
COMPREHENSIVE INQUIRY INTO THAT DEPARTMENT BY A PARLIAMENTARY
COMMITTEE.

THE DECISION OF YOUR COMMITTEE TO UNDERTAKE THIS INQUIRY
WAS MADE, NOT BECAUSE THE DEPARTMENT HAD BEEN THE SUBJECT OF
CENSURE, BUT BECAUSE THE GROWTH IN THE EXTENT AND VARIETY OF
SOCIAL SERVICES PROVIDED BY THE COMMONWEALTH IN RECENT YEARS
HAS EXPANDED SUBSTANTIALLY AND BECAUSE, IN THE DISCHARGE OF
THEIR RESPONSIBILITIES, MANY HONOURABLE SENATORS AND MEMBERS
FIND THEMSELVES ENGAGED WITH THE DEPARTMENT ON BEHALF OF THEIR
CONSTITUENTS. YOUR COMMITTEE BELIEVES THAT THIS REPORT, WHICH
COVERS THE DETAILED ADMINISTRATIVE OPERATIONS OF THE DEPARTMENT,
WILL PROVIDE A USEFUL SOURCE OF INFORMATION FOR HONOURABLE
SENATORS AND FOR THE PUBLIC.

IN THE COURSE OF ITS INQUIRY YOUR COMMITTEE WAS IMPRESSED
WITH THE GENERAL LEVEL OF EFFICIENCY FOUND TO EXIST IN THE
OPERATIONS OF THE DEPARTMENT. NEVERTHELESS, THERE ARE CERTAIN
MATTERS ARISING FROM OUR INQUIRY TO WHICH YOUR COMMITTEE WOULD
INVITE ATTENTION.

THE EVIDENCE TAKEN BY YOUR COMMITTEE SHOWS THAT URGENT
ACTION IS REQUIRED BY THE PARTIES CONCERNED TO RESOLVE THE
PROBLEMS ARISING FROM THE PROPOSED INTRODUCTION OF AUTOMATIC
DATA PROCESSING BY THE DEPARTMENT OF SOCIAL SERVICES AND THAT

THERE IS A NEED FOR THE DEPARTMENTS OF SOCIAL SERVICES AND THE TREASURY TO CONSIDER WHETHER THE DEPARTMENT SHOULD BE RE-IMBURSED IN RESPECT OF SERVICES WHICH IT PROVIDES FOR THE REPATRIATION DEPARTMENT IN THE PROCESSING OF REPATRIATION PENSIONS.

THE EVIDENCE ALSO SHOWS THAT THE DEPARTMENT OF SOCIAL SERVICES REQUIRES A GREATER NUMBER OF QUALIFIED OFFICERS ENGAGED IN INTERNAL AUDIT WORK AND IN THIS REGARD YOUR COMMITTEE WOULD EMPHASISE THAT THE DECISION BY THE PUBLIC SERVICE BOARD TO DEFER CONSIDERATION OF PROPOSALS MADE BY THE DEPARTMENT FOR A RE-ORGANISATION OF ITS INTERNAL AUDIT STAFF, PENDING AN EXTENSIVE REVIEW BY THE BOARD OF ACCOUNTING AND AUDIT WORK IN THE COMMONWEALTH SERVICE, MAY RESULT IN A SERIOUS DELAY IN IMPROVING THE EFFICIENCY OF THE DEPARTMENT'S INTERNAL AUDIT PROGRAMME.

WE BELIEVE THAT THE PROBLEMS CONFRONTING BENEFICIARIES IN THE MORE SPARSELY POPULATED AREAS SHOULD BE TAKEN FULLY INTO ACCOUNT IN ANY REFORMULATION OF THE DEPARTMENT'S CRITERIA FOR ESTABLISHING REGIONAL OFFICES. YOUR COMMITTEE ALSO CONSIDERS THAT THE DEPARTMENT SHOULD, IN THE INTERESTS OF ECONOMY AND EFFICIENCY, ADOPT A UNIFORM METHOD OF PAYMENT OF SOCIAL SERVICE BENEFITS BY CHEQUE.

I COMMEND THE REPORT TO HONOURABLE SENATORS AND MOVE THAT IT BE PRINTED.

JOINT COMMITTEE OF PUBLIC ACCOUNTS

SIXTH COMMITTEE

R. CLEAVER, ESQUIRE, M.P. (Chairman)

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

SENATOR T. C. DRAKE-BROCKMAN (1)	J. S. COCKLE, ESQUIRE, M.P.
SENATOR J. F. FITZGERALD	D. E. COSTA, ESQUIRE, M.P.
SENATOR I. E. WEDGWOOD	P. J. NIXON, ESQUIRE, M.P.
SENATOR J. J. WEBSTER (2)	J. C. L. SEXTON, ESQUIRE, M.P.
	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.

(1) Resigned 29th April, 1965.

(2) Appointed 29th April, 1965.

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 ACCOUNTSSEVENTY-FIRST REPORTDEPARTMENT OF SOCIAL SERVICESCHAPTER 1 - INTRODUCTION

In pursuance of Section 8 of the Public Accounts Committee Act 1951, Your Committee resolved, on 14th April, 1964, to inquire into the accounts of the Department of Social Services.

2. For the purpose of the inquiry, we obtained a number of statements from the Department of Social Services and the Treasury as listed in Appendix No. 1 to this Report.

3. The statements referred to were made the subject of a public inquiry at -

The Commonwealth Centre, - on Monday 11th May, 1964
Melbourne.

Parliament House,	- on Wednesday, 3rd June, 1964
Melbourne	- on Thursday, 4th June, 1964
Parliament House,	- on Monday, 19th October, 1964
Canberra	- on Tuesday, 20th October, 1964
	- on Wednesday, 3rd March, 1965,

4. The following witnesses, representing the Department of Social Services, were sworn at the public inquiry and were examined by Your Committee :-

Mr. A. R. Broberg	- Accountant (Benefits), Victorian Administration
Mr. C. Calvert	- Assistant Director (Finance)
Mr. K. M. Crotty	- Director (Organisation and Methods)
Mr. M. D. Fagg	- Assistant Director (Accounts), Queensland Administration.
Mr. D. T. Gibson	- Accountant
Mr. E. H. J. Girdlestone	- Senior Assistant Director (Benefits), New South Wales Administration.

Mr. H. J. Goodes, C.B.E.	- Director-General
Mr. F. T. Hill	- Assistant Director-General (Rehabilitation, Homes and General)
Mr. K. T. Kimball	- Director (Automatic Data Processing) (From 24th September, 1964)
Mr. A. R. Kopp, D.F.C.	- Director (Management) (Until 23rd September, 1964)
Dr. D. O. Longmuir	- Principal Medical Officer
Mr. K. Mead	- Chief Internal Auditor
Mr. A. G. McArthur	- Chief Accountant
Mr. D. V. Murphy	- Director (Finance)
Mr. P. A. Nott	- First Assistant Director-General (Operations)
Mr. M. L. O'Keefe	- Inspector (Personnel and Establishments)
Mr. I. Prowse	- Assistant Director-General (Policy and Benefits)
Mr. A. C. Selwood	- Assistant Director (Benefits)
Mr. P. Shine	- Director (Rehabilitation)
Mr. C. E. Stenhouse	- Director (Aged Persons Homes)
Mr. A. F. Sykes	- Director (Administration)
Mr. N. C. Tritton	- First Assistant Director-General (Policy)
Mr. D. Wearne	- Director (Research)
Mr. R. G. Williams	- Director (Automatic Data Processing) (Until 23rd September, 1964) - Director (Management) (From 24th September, 1964)
Mr. M. Wryell	- Assistant Director-General (Research and Automatic Data Processing)

5. During our Inquiry we were assisted by the following observers :-

Mr. H. V. Fealy	} Audit Office
Mr. A. K. Ragless	
Mr. K. J. Brennan	} Public Service Board
Mr. F. G. Nordock	
Mr. K. S. Amos	} Department of the Treasury
Mr. M. G. Cowie	
Mr. S. G. Herring	
Mr. G. R. Virtue	

6. This Report relates to a general inquiry into a major Commonwealth Department and for this reason we have given careful consideration to the form that the Report should take. We consider that the Report should comprise an informative, easily read document and that our conclusions should be reserved for expression after our analysis of the evidence tendered has been completed. We also consider that as a guide to readers who desire to examine for their own purposes the evidence submitted and to make clear the course of the evidence from which we have drawn our conclusions we should continue the practice of earlier Committees of indicating throughout the Report, the Exhibits and Questions from which information has been drawn. In addition, we have supplied a number of appendices to the Report to make more readily available to the reader, information which we feel will be of assistance but which does not readily find a place in the body of the Report.

7. Information submitted to Your Committee as at 3rd March, 1965 and additional material prepared at our request subsequent to that date, constitutes the basis of the present inquiry.

8. For simplicity of presentation, the Report has been divided into the following five parts :-

- Part I - History of Commonwealth Social Services
- Part II - Functions, Organisation and Administration of the Department
- Part III - Financial and Stores Administration of the Department
- Part IV - The Administration of Social Service Benefits by the Department
- Part V - Conclusions of Your Committee.

PART I - HISTORY OF COMMONWEALTH SOCIAL SERVICES

CHAPTER 2 - CONSTITUTIONAL HISTORY

9. The Commonwealth Parliament derives its powers in respect of social services from Section 51 (XXIII and XXIIIA) of the Constitution. In regard to Section 51 (XXIII), J. K. Howe, M.L.C., a South Australian representative at the 1898 Australasian Federal Convention, moved a motion to add invalid and old age pensions to the Commonwealth's powers. The motion was rejected in January, 1898 by 25 votes to 20. In March, 1898, Mr. Howe re-introduced his motion and it was passed by 26 votes to 4.

Austral-
asian
Federal
Conven-
tion De-
bates,
Vol's. 1
and 11,
Third
Session,
Melbourne
1898.

10. On 19th November, 1945, the High Court of Australia, in deciding an action brought by the Attorney-General of Victoria against the Commonwealth, declared that the Pharmaceutical Benefits Act 1944-45 was ultra-vires the Constitution. The Commonwealth Government sought legal opinion on the validity of other Commonwealth legislation on social services. These opinions convinced the Government that the Constitution should be amended to authorize the continuance of existing social services legislation and to authorize the obtaining of similar benefits in the future. Accordingly a bill was introduced on 21st March, 1946 to empower the Parliament to make laws for the provision of maternity allowances, widows' pensions, child endowment, unemployment, sickness and hospital benefits, medical and dental services, benefits to students and family allowances. After the bill had been passed by the Parliament, it was submitted, with two other bills (organized marketing of primary products and industrial employment) to the electors at a referendum conducted concurrently with a general election on 28th September, 1946. The amendment in respect of social services was carried by a majority of votes in each State.

Common-
wealth
Year
Book,
No. 37,
1946/47
PP 64-65

11. Consequent upon obtaining the approval of the electors on this question, the Constitution Alteration (Social Services) Act 1946 was assented to on 19th December, 1946. Section fifty-one (powers of the Parliament) of the Constitution was altered by the insertion after paragraph (XXIII), invalid and old age pensions, of the following placitum :

"(XXIIIA) The provision of maternity allowances, widows' pensions, child endowment, unemployment, pharmaceutical, sickness and hospital benefits, medical and dental services (but not so as to authorize any form of civil conscription), benefits to students and family allowances"

Commonwealth
Yearbook,
No. 37
1946/47, pp
64-65

CHAPTER . 3 - LEGISLATIVE AND ADMINISTRATIVE HISTORY

12. At the turn of the Century, several Colonies were considering the introduction of old age pensions. New South Wales, Victoria and Queensland each passed old age pension acts in 1900, 1901 and 1907 respectively and New South Wales passed an invalid pensions act in 1907. Exhibit 73/3

13. From 1905 to 1906, a Royal Commission enquired into Old Age Pensions. Some of the recommendations of this Commission were later incorporated in the Commonwealth's Invalid and Old Age pensions Act 1908. This legislation displaced existing State legislation. Exhibits 73/3 and 73/4 and Q's. 3, 59 and 63

14. The payment by the Commonwealth of old age pensions commenced on 1st July, 1909 and invalid pensions on 15th December, 1910. Exhibits 73/3 and 73/4 and Q. 3

15. An Invalid and Old Age Pensions' Office was established in the Department of the Treasury to administer the Act. The Secretary and the Accountant to the Treasury occupied the positions of Exhibit 73/3 and Q. 22

Commissioner and Assistant Commissioner of Pensions respectively in the Head Office. Senior public servants, both Federal and State, filled, on a part-time basis, the positions of Deputy Commissioner of Pensions in the State branches of the Invalid and Old Age Pensions' Office. The Head Office functioned as a co-ordinating and policy formulating agency while the State branches received and processed the claims for pensions.

Exhibit
73/3 and
Q. 22

16. The Maternity Allowance Act was passed in 1922. A Maternity Allowance Office was established in the Treasury to administer this Act. The officials who filled the offices of Commissioner, Assistant Commissioner and Deputy Commissioner of Pensions under the Invalid and Old Age Pensions Act filled these offices under the Maternity Allowance Act. However, the Maternity Allowance Office had a separate staff to administer the Act in the States.

Exhibit
73/4

17. Although several attempts were made to introduce new social services legislation between 1912 and 1939 none was successful. However, a number of administrative changes were made during this period. In 1934-35, the separate staffs of the two offices were joined and in 1935-36 the positions of Assistant Commissioner were abolished. The first independent Commissioner of Pensions was appointed in 1936-37. By 1938, all of the positions of Deputy Commissioner had become full-time offices.

Exhibits
73/3 and
73/4 and
Q's. 23,
44, and
76.

18. The Department of Social Services was created on 26th April, 1939 in anticipation of the adoption of a National Insurance Scheme. However, when that scheme lapsed, the officers appointed to the Department were transferred to other duties to assist the war effort. The Department did not function fully as a separate organisation until

Exhibit
73/4

April, 1941, when the administration of the Invalid and Old Age Pensions Act and the Maternity Allowances Act was taken over from the Department of the Treasury. The former Pensions and Maternity Allowances Branch of the Treasury, including the Commissioner, was absorbed into the new Department.

Exhibit
73/4

19. A Secretariat, under the control of the Secretary, (who was later re-designated as the Director-General) was established within the Department of Social Services. The Secretariat dealt with all matters of policy, legislation, finance, statistics, staff and general administration of claims for benefits, and with individual cases referred for decision and appeals against decisions given by Deputy Commissioners. The Deputy Commissioners in the States continued to assess eligibility for pensions and maternity allowances and arranged for such payments.

Exhibit
73/4

20. The Department of Social Services was also made responsible for the administration of the Child Endowment Act, which was promulgated in 1941. The Commissioner and Deputy Commissioners of Pensions were appointed Commissioner and Deputy Commissioners of Child Endowment respectively. Similar arrangements were made following the enactment of the Widows' Pensions Act in 1942. These two pieces of legislation replaced corresponding legislation which had operated in New South Wales since 1927 and 1926 respectively. Several State officers previously associated with those schemes were absorbed into the Department of Social Services.

Exhibit
73/4

21. In 1941, a limited scale of vocational training was introduced for invalid pensioners. This scheme formed the basis of the present rehabilitation service. In 1943, allowances for wives and children

Exhibit
73/1 and
Q. 85

of invalid pensioners and funeral benefits for deceased, age and invalid pensioners were introduced. Also, a substantial increase was made to the Maternity Allowance whilst the means test on this allowance was abolished. In addition, a Reciprocal Agreement on Social Services was made with New Zealand in that year.

Exhibit
73/1 and
Q. 85

22. Unemployment and sickness benefits legislation passed in 1944, caused corresponding Queensland legislation, which had operated since 1923, to lapse. In addition to providing for unemployment and sickness benefits, this legislation also provided for the appointment of Directors of Social Services. These offices were the former offices of Deputy Commissioner. The Directors were assisted in their administration of the Act at a local level by the District Employment Officers of the Department of Labour and National Service.

Exhibit
73/1

23. A complete Commonwealth rehabilitation service was commenced in 1948. A Reciprocal Agreement with the United Kingdom was signed in 1954, and grants under the Aged Persons Homes Act commenced in that year. In 1958, Supplementary Assistance for Age, Invalid and Widow Pensioners was introduced. Grants under the Disabled Persons Accommodation Act commenced in 1963. In 1964, Child Endowment was extended to student children up to twenty-one years of age.

Exhibit
73/1

24. In the Budget Speech for 1965-66, the Commonwealth Treasurer (The Rt. Hon. Harold Holt) foreshadowed further amendments to Social Service legislation. These changes were later incorporated in a Bill to amend the Social Services Act 1947-1964 and were introduced into the Parliament on 16th September, 1965 by the Minister for Social Services, the Hon. I. McC. Sinclair. The Bill, which was before the Parliament when Your Committee completed its deliberations on the evidence taken during its inquiry into the Department of Social Services provides for the following variants to existing benefits :-

- (i) An increase of supplementary assistance by 10/- a week together with a widening of eligibility by extending payment to pensioners whose resources exceed the present limits.
- (ii) The payment of the standard pension rate of £6 a week as well as supplementary assistance, if otherwise eligible, to a married pensioner whose wife receives a wife's allowance.
- (iii) The payment of a wife's allowance where the wife of an age pensioner has the custody, care and control of one or more children under the age of sixteen years or, in the case of a student child, under twenty-one years.
- (iv) The payment of child's allowance and additional pension for children where age pensioners have the custody, care and control of one or more children.
- (v) An increase in the age limit from 18 to 21 years for student children of pensioners. This also extends the eligibility for widow's pension where the widow has a student child.
- (vi) The payment of a guardian's allowance of £2 a week to unmarried age and invalid pensioners who have the custody, care and control of one or more children.
- (vii) The payment of a funeral benefit of £20 to a pensioner who is responsible for the funeral expenses of a spouse, a child or another pensioner.

PART II - FUNCTIONS, ORGANIZATION AND ADMINISTRATION OF THE DEPARTMENT

CHAPTER 4 - FUNCTIONS AND LEGISLATION ADMINISTERED BY THE DEPARTMENT

25. The functions of the Department of Social Services as set out in Administrative Arrangements Order published in Commonwealth Gazette No. 8 of 21st January, 1965 are as follows :-

"Social Services, including -

Invalid and age pensions, maternity allowances, widows' pensions, child endowment, unemployment and sickness benefits."

26. The legislation currently administered by the Department is as follows :-

Social Services Act 1947-1964

Aged Persons Homes Act 1954-1957

Disabled Persons Accommodation Act 1963

Defence (Transitional Provisions) Act 1946-1951
Section 13

Re-establishment and Employment Act 1945-1962

- Part IV, Division 3 of Part XI, and
Part XII to the extent to which it applies
or may be applied to the foregoing.

Social Services (Reciprocity with New Zealand)
Regulations - Statutory Rules No. 42 of 1949

Social Services (Reciprocity with United Kingdom)
Regulations - Statutory Rules No. 30 of 1958

Social Services (Reciprocity with United Kingdom)
Regulations - Statutory Rules No. 85 of 1962

Determination of the Director-General of Health,
dated 14th June, 1950, for the purposes of
section 9 of the Tuberculosis Act 1948.

Exhibit
73/5

27. Although not directly administered by the Department of Social Services, Part IV of the Migration Regulations (Statutory Rules No. 35 of 1959) gives certain powers to the Minister for Social Services in relation to the recovery or write off of a debt created by the payment to a migrant of a special benefit under the Social Services Act where the entry of the migrant into Australia was the subject of a Maintenance guarantee.

CHAPTER 5 - ORGANIZATION OF THE DEPARTMENT

A. STRUCTURE

28. The Department's structure provides for a Central Office, located in Canberra, and for a State headquarters in each capital city. Twenty-three offices, known as Regional Offices, have been established at various country centres throughout the Commonwealth, other than in Western Australia. The Department has seven Rehabilitation Centres, located away from the State Headquarters, in all Mainland States. A chart outlining the departmental organization is attached as Appendix No. 2. Exhibit
73/1 and
Q. 197

Central Office

29. The Central Office organization comprises two Divisions, each under a First Assistant Director-General.

30. The Policy Division advises on policy matters, the drafting of legislation, the preparation of instructions, benefits casework, the administration of the Commonwealth Rehabilitation Service, the Aged Persons Homes Act and the Disabled Persons Accommodation Act. The Operations Division attends to general managerial questions such as finance, personnel and establishments, research, social work and welfare, organization and methods, and mechanization (including automatic data processing). Exhibit
73/1

State Administrations

31. The organization of the State Administrations of the Department is reflected in Appendix No. 2. Each State Administration has the following branches: Administration, Pensions, Family

Allowances, Accounts, Unemployment and Sickness Benefits, Internal Audit, Outdoor Inquiry, Social Work, Rehabilitation and Regional Offices. This organization was said to maintain the recording, investigation and payment of benefits as separate activities.

Exhibit
73/16

32. The three "benefit" branches are Pensions, Family Allowances and Unemployment and Sickness Benefit. Within these branches are maintained the basic records of individual clients and they deal to finality with all aspects of entitlement to benefit. With the exception of the Unemployment and Sickness Benefits Branch, the "benefit" branches relinquish their responsibility after preparing, and accepting responsibility for the accuracy of, the paying document containing the information relating to rates of payment in individual cases.

Exhibit
73/16

33. In the Unemployment and Sickness Benefit Branch, the benefits are short term and, hence it was claimed, there was less justification for utilizing punched card equipment in processing payments. Accordingly, the Branch carries its operations further than the other two benefit branches in that it makes the payment of the appropriation amount of benefit.

Exhibit
73/16

34. As a general rule claims for benefits are determined in State Offices and only an exceptional case would go to the Central Office to be resolved. Officers engaged on pensions' work have been given delegations to determine the claims for pensions; it was said that claims would only go to the Director of the State Administration for determination on rare occasions.

Exhibit
73/1 and
Q. 183

35. The Accounts Branch is responsible for the normal Treasury accounting activities, but in addition, makes all payments of pensions and family allowances strictly in accordance with the instructions of the "benefits" branches. By this means are achieved economies arising from the use of large punched card installations.

Exhibit
73/16

Regional Offices

36. The first Regional Offices were established in the period 1947 to 1948 with the intention of decentralizing the Department's activities, by determination and payment of claims for unemployment and sickness benefits, assessment (but not determination) of claims for pension and receipt of claims and enquiries relating to other benefits and allowances. By 1957, the Department had established 23 Regional Offices in all States apart from Western Australia. The Department has adopted the practice of establishing Regional Offices in areas which have a population of about 150,000 people within a radius of 30 to 40 miles of the Office. It has been found that Regional Offices with staffs of between 18 and 20 officers are able to operate satisfactorily and provide a reasonable range of the Department's services.

Exhibit
73/1 and
Q's. 107,
108 and
186.

37. Regional Offices had been established at the following centres by 1957 :-

New South Wales

Armidale
 Lismore
 Lithgow
 Newcastle
 Orange
 Wagga
 Wollongong

Victoria

Ballarat
 Bendigo
 Dandenong
 Geelong
 Hamilton
 Sale
 Wangaratta

Q. 107

Queensland

Bundaberg
 Cairns
 Mackay
 Rockhampton
 Toowoomba
 Townsville

South Australia

Port Pirie

Tasmania

Launceston

A.C.T.

Canberra

38. In 1957, it was decided to extend to the larger Regional Offices the function of determining claims for pensions and associated allowances and in 1962, family allowances were also decentralized to the larger Regional Offices. Payment of all pensions and allowances, apart from unemployment and sickness benefits, is made by machinery centralized in the State Capitals.

Exhibit
 73/1

39. The structure for Regional Offices provides for three types of Office :-

- (a) Newcastle - a large office dealing to finality with pensions and unemployment and sickness benefits. We were informed that this Office will also determine claims for family allowances as soon as accommodation is available.

Exhibit
 73/1

- (b) Assessment and determination of all pensions, unemployment and sickness benefits (including payment) and family allowances - 17 offices in New South Wales, Victoria and Queensland.

- (c) Determining and paying unemployment and sickness benefits' claims only but receiving claims for other benefits - 5 offices in Victoria, Queensland, South Australia and Tasmania.

Exhibit
73/1

40. The officer-in-charge of a Regional Office is a Registrar. He is normally an officer who has worked in one of the larger metropolitan offices and who has had experience in child endowment, unemployment and sickness benefits' and pensions' work. He would have obtained the status of Senior Examiner or Special Magistrate before moving to a Regional Office as, perhaps, second in charge and would ultimately be promoted, if his services are satisfactory, to Registrar of that region.

Q. 109

41. Mr. Nott stated that in Western Australia, the handling of a claim is performed as far as possible, by correspondence in the first instance. The claimant obtains an application form and posts it to the Perth Office of the Department where it is examined. If further enquiries are found to be necessary, they are made by correspondence. The claim proceeds through to determination without the claimant actually being heard. As soon as possible after payment has commenced a magistrate or some qualified travelling officer of the Department contacts the claimant, to satisfy himself that the claim is in order.

Q. 190

42. Mr. Nott explained that Regional Offices have not been established in Western Australia because of the spread and dispersion of population in that State. On a number of occasions, the possibility of establishing an Office in Kalgoorlie has been studied. However, in view of the number of

Q's. 187
and 188

people required under the present criteria to establish a Regional Office, the radius would need to be spread so widely that the Department considered that the people concerned would be as well served from Perth as they would be from Kalgoorlie. Q's. 187 and 188

43. Mr. Nott assured us that the Department is not bound to continue to adhere to its present criteria for the establishment of Regional Offices. He stated that a committee had been established to review existing criteria. He said that a modified type of Regional Office with fewer staff and a smaller range of functions might at some stage be found to be practicable in an area such as Bunbury, Western Australia. However, he said that a difficulty would arise in that a senior officer would be employed on a very small number of claims and, in addition, other duties of a similar value would need to be found to fully occupy him. Q's. 189 and 190A

44. Mr. Goodes indicated that but for his present powers of delegation the structure of the Department would be considerably more centralised, the Department's lines of communication with its customers would be lengthened and a larger staff would be required in the Central Office. Q's. 1254 and 1255

B. DELEGATIONS OF AUTHORITY

45. The Director-General of Social Services is empowered, under Section 12 of the Social Services Act, to delegate all or any of his powers and functions under the Act, (except the power of delegation), to any other officer. In pursuance of this Section, powers have been delegated by the Director-General to the occupants of various positions in the Departments Central Office, State Headquarters and Regional Offices. Exhibit 73/19

46. The main reason underlying the principle of delegation is to enable decisions to be taken promptly in particular instances thus avoiding the time-consuming need to refer matters of detail to high levels of authority. The delegations given are therefore framed so as to enable claims to be determined locally and at levels of management close to the point at which claims are examined.

Exhibit
73/19 and
Q. 1242

47. Delegations vary in nature from wide powers which are given to Directors, to limited powers given to subordinate officers who are required to perform a restricted function. To illustrate the extent and type of powers delegated, instruments of delegation in respect of the Directors of Social Services, Senior Pensions Officers and Regional Registrars at the larger regional offices are attached as Appendix No. 3.

Exhibit
73/19

48. An examination of the instruments of delegation showed that the pattern of delegations varies as between the State offices of the Department. For example, in the Executive Branches of the Department in New South Wales and Victoria, powers are delegated to Directors and Assistant Directors (Management) whereas in the Executive Branches of the remaining four States, delegations are confined to the Directors only. In regard to these differences we were informed that in New South Wales and Victoria the Department has officers who share with the Directors the handling of matters requiring decisions. It had not been found necessary, however, to make a comparable division of administration in the other four States and in those States it had proved adequate to allow the Director to have the major delegation. Work volume was said to be the governing factor in such decisions.

Exhibit
73/19 and
Q. 1240

49. Although under a system of delegated powers, an officer exercises his judgment in a particular instance, the Director-General, and, finally, the Minister are deemed to be responsible for the decision taken. We were assured that where an officer takes a decision in a particular case, the claimant may, if not satisfied with that decision, appeal to higher authority, including the Minister, to have the matter reviewed.

Q's. 1243,
1257 and
1259.

50. In addition to delegations arising from the Social Services Act, delegations have been given by the Treasurer under the Audit Act and Treasury Regulations to the Minister for Social Services and to Officers of the Department of Social Services. Delegations have also been given by the Minister for Social Services under the Audit Act and Treasury Regulations to officers of the Department. Powers delegated by the Treasurer relate to the writing off of losses or deficiencies of public moneys; irrecoverable amounts of revenue; irrecoverable debts and overpayments and the value of lost, deficient, condemned or obsolete stores. The delegations given by the Minister for Social Services are in accordance with Treasury Regulation 48(2) wherein he has power to appoint officers designated to incur expenditures for supplies and services. The details of delegations given under Treasury legislation are set out in Appendix No. 4.

Exhibit
73/19

51. In regard to delegated powers involving financial limitations or ceilings, adjustments are made from time to time as changes occur in money values. These adjustments may be initiated either by the Department of Social Services or the Treasury.

Q's. 1260
and 1261.

52. Under the Aged Persons Homes Act and Disabled Persons Accommodation Act the Director-General has no authority to delegate any of his powers. While matters encompassed by the Acts are examined and investigated at State Office level, all matters involving statutory powers must necessarily be referred to the Central Office of the Department for decision or for reference to higher authority. We were informed that, so far, the Department has not experienced any difficulty in administering these two Acts in this way.

Q. 1245

CHAPTER 6 - STAFF AND ESTABLISHMENT

53. At 31st March, 1964, there were 3,092 persons employed by the Department, of whom 124 were in Central Administration and 2,968 in State and Regional Offices. Table No. 1 shows the details of the establishment and staffing of the Department as at 30th June, 1953, 1959, 1960, 1961, 1962, 1963, 31st March, 1964 and 30th June, 1965.

Exhibit
73/1

TABLE NO. 1

DEPARTMENT OF SOCIAL SERVICES

ESTABLISHMENT AND STAFFING FOR SELECTED YEARS 1953-1964

As at	Establishment			Staff Employed		
	Permanent	Temporary	Total	Permanent	Temporary	Total
30.6.53	1,694	641	2,335	1,443	846	2,289
30.6.59	2,086	599	2,685	1,900	718	2,618
30.6.60	2,222	421	2,643	1,900	724	2,624
30.6.61	2,272	584	2,856	1,951	852	2,803
30.6.62	2,358	674	3,032	2,200	803	3,003
30.6.63	2,448	647	3,095	2,303	732	3,035
31.3.64	2,505	600	3,105	2,342	750	3,092
30.6.65	2,556	489	3,145	2,371	659	3,070

54. We were informed that the staff of the Department is mainly of an administrative nature although a small number of staff is employed on specialist functions. These are medical and para-medical staff, employed in Rehabilitation Centres, and Social Workers. Staff in these categories, who are included in the figures shown above, in Table No. 1, numbered 119 at 31st March, 1964.

Exhibit
73/1

55. Mr. Nott said that, generally, the Department has been able to fill its staff establishment each year. There had been difficulty in filling positions in certain specialized fields, in particular, in the medical and para-medical areas. Mr. Brennan, the Public Service Board's observer, said that there was a general shortage of para-medical and social worker personnel in Australia, and there was a growing demand for these classes of personnel. This growth in demand was being created by a growing population and, in particular, by the requirements of public hospitals. A second difficulty was that the general shortage of trained personnel in this area had generated disproportionate pay-scales in the various State public services and amongst the State hospitals. In an attempt to meet this difficulty, the Public Service Board, in conjunction with the Departments of Social Services and Repatriation, had adopted a new approach to salary fixation for these classes of personnel, basing the salary in each State on the market rate in that particular State.

Q's. 193
and 202

56. Details of State Office Employment figures showed that staff establishments of the Accounts Branches had increased from 201 as at 30th June, 1953 to 431 as at 31st March, 1964. This increase was said to have resulted from the introduction of mechanized methods of pensions' payments which

Exhibit
73/1 and
Q. 195

replaced manual methods. Under the manual method of payment, the benefits branches had determined and paid claims. With the introduction of the punched card method of payments, however, all paying activities were brought together and formed into Accounts Branches. As a result, staff in the benefits branches, which now only determine eligibility for benefits, were reduced but some increases were made in machine staff in the Accounts Branches.

Exhibit
73/
and Q.
195.

57. Detailed figures relating to the Department's staffing and establishment on a Branch basis are given in Appendix No. 5

58. In regard to the large number of temporary positions on the Department's establishment, we were informed that considerable fluctuations in departmental activity occur from time to time, particularly in respect of unemployment benefits, and that these fluctuations necessitate the use of short-term temporary staff. In addition, the Department experiences difficulty in determining definitely the number of new positions it will require to administer a new benefit upon its introduction. In this circumstance, the Department requests the Public Service Board Q. 194 to create temporary positions for a period of three to six months. Where at a later stage it is demonstrated that an increase in the permanent establishment is required, temporary positions are made permanent. Temporary positions not required for conversion to a permanent basis are relinquished.

59. Mr. Nott indicated that on the whole, paramedical personnel are not anxious to obtain permanency and it therefore suited the Department to have temporary positions into which these people can be placed. Thus, in the main, rehabilitation centres Q. 199

are staffed by temporary employees. He instanced physiotherapists as a class of staff who work with the Department for two or three years, become expert in a particular phase of physiotherapy and then move on to a large hospital or some other undertaking and broaden their experience in other areas. Q. 199

60. On the general question of the provision of temporary positions, the Public Service Board's observer, Mr. Brennan said that such positions were provided principally in the sense of a safety valve against a falling-off in work. If the level of activity in a Department decreases and the whole of the Department is staffed by permanent officers, problems would arise in the retention of permanent officers, who would normally expect to have a lifelong career in the Service. He confirmed Mr. Nott's statement that temporary positions are created only for a specific period and are reviewed, periodically, by the Public Service Board's inspectors who deal with Departments' establishment proposals. Q. 200

61. Messrs. Nott and Brennan provided us with explanations of the excess of temporary staff employed compared with the number of temporary positions provided on the Department's establishment. Mr. Nott said that where the Department had not been able to fill permanent positions with permanent officers, it had accepted temporary employees in these positions. Mr. Brennan added that the continuing difficulties of recruitment of typists had meant that the vacancies in permanent typing positions had been filled by temporary typists. Q. 207

62. The Department regularly reviews its establishment so that each branch in each State Office would be examined at least once in every two years. A section of the review is devoted to examining the ratio of temporary and permanent employees.

Q. 209

CHAPTER 7 - STAFF TRAINING AND CADETSHIPS

63. The Department's formal staff training scheme commenced in 1948 when the need for staff training was generally recognized by Commonwealth Departments. In the succeeding years, the Department has retained very close consultations with the Public Service Board's Training Section. Mr. Kopp informed us that the Public Service Board's Training Officers frequently hold seminars on aspects of staff training, as well as visiting the Department to examine its training programme and to give advice. He assured us that the Department readily accepts the Public Service Board's advice on aspects of general training, such as methods of supervision but methods of teaching functions peculiar to the Department, such as training officers to assess pensions, largely emanate from the Department itself.

Q's. 404,
405 and
407

64. Five officers are engaged full-time on training work, while another two officers divide their duties equally between training and administrative work. The Department's Training Officers under the general direction of the Senior Training Officer in Central Office, devise and organize the training courses. In addition, they also undertake some lecturing, but the bulk of this work is done by other departmental officers who are specialists in their particular fields. There are two full-time Training Officers in Sydney, one each in Brisbane and Melbourne and a part-time Training

Exhibit
73/7 and
Q. 409

Officer in both Adelaide and Perth. In Tasmania, training forms part of the work of one Officer under close direction from Central Office.

Exhibit
73/7 and
Q. 409

65. The Department's 1964 training programme provided for 123 courses and it was expected that over 1,000 officers would receive some type of formal training. In addition, it was expected that another 100 officers would attend courses held by the Public Service Board and other outside authorities. The most important of these training courses is the Public Service Board's Regional Management Course conducted for officers in the lower and middle ranges of salary. We were informed that three officers have been sent by the Department to the Australian Administrative Staff College for courses and that the Department had made some use of the facilities provided by the Institute of Management. Details of the various courses in the Department's 1964 programme have been set out at Appendix No. 6.

Exhibit
73/7 and
Q. 140

66. The Department conducts induction training courses for all new staff. It was expected that almost 200 staff would attend induction courses in 1964. We were informed that the Department attempted to train as many staff as possible in the various routines and procedures of the Department so that they would understand the Department's operations. Special Magistrates are trained to conduct interviews to assist them in obtaining information from clients. The final courses proposed for 1964 were courses of instruction for instructors and courses in human relations for supervisors. It was also proposed to conduct courses on public relations.

Q. 479

Examiner-in-Training Courses

67. In all benefit branches the key position is that of Examiner as it is this officer who must review an applicant's eligibility for continued receipt of a pension.

Exhibit
73/7 and
Q. 412

68. Examiner-in-Training courses were first introduced in 1960. Prior to this date, the Department had trained Examiners on a part-time basis in courses of one week or a fortnight's duration. This length of time was felt to be inadequate and that officers required more thorough and deeper training in examining techniques. Courses were conducted in 1960 and 1962, and a third was in progress in 1964. The 1964 course was to extend over 34 weeks, and was designed to impart to trainees the principles and philosophies behind the Social Services Act and the methods of examining in respect of pensions, maternity allowances, child endowment and unemployment, sickness and special benefits, as well as in the procedures for processing claims. Sixty-six officers had completed Examiner-in-Training Courses while another thirty were attending the 1964 course.

Exhibit
73/7 and
Q. 411

69. The Examiner-in-Training courses are conducted simultaneously in Melbourne and Sydney. Officers from New South Wales and Queensland attend the Sydney courses, whilst officers from the other States attend the Melbourne courses. The Department did not propose to hold any courses in any of the other States as the current number of Trainees satisfied the requirements of the Department. Mr. Kopp stressed that it was largely a matter of economics that people should be brought to Melbourne and Sydney rather than that training courses should be held in other States. He considered that if the demand for Examiners fell behind their supply, the Department would probably conduct a course every eighteen months rather than biennially.

Exhibit
73/7 and
Q's. 415
and 416

Training for Para-Medical Staff

70. Para-medical staff such as Social Workers, Occupational Therapists and Physiotherapists are required to possess appropriate professional or technical qualifications prior to engagement. Consequently, departmental training for this group of staff is restricted to induction and to "on-the-job" instruction under the guidance of the supervising officer in each speciality. The Department considers that these staff must be made aware of the nature of the Department before they commence work in their specialized field, for an experienced therapist would not normally be employed in one of the other sections of the Department.

Exhibit
73/7 and
Q. 119

71. The Department assists in the training of the para-medical occupations by making student placements available to the relevant training authorities. Mr. Kopp instructed the example of Social Workers in the Department who maintain close liaison with the universities' schools of social work. In their university long vacations, and as part of their training, such students are required to work in an organization on social work. The Department provides students with experience, under supervision, in this work. The experience so gained is valuable both to the student and to the Department for, the student may return to work for the Department on graduation.

Exhibit
73/7 and
Q. 428

72. We were informed that since the inception of the Social Work Branch in 1944, following a recommendation by the Joint Parliamentary Committee on Social Security in 1941, seven of the Department's more experienced Social Workers have undertaken study programmes overseas under United Nations' Fellowships. The Department places these Fellows under bond to work for the Department for two to three years, but in all cases, the Fellows had worked for greater periods than required by the bonds.

Exhibit
73/7 and
Q's. 132,
431 and
436.

Current Cadetships

73. Cadetships for Social Workers were introduced in 1962 when it was apparent that the serious shortage of professional Social Workers could not be overcome by other methods of recruitment. Six cadetships were filled in 1962, five in 1963 and five in 1964. We were informed that as soon as Cadets obtain their degree or diploma, they are promoted to positions of Social Worker. In addition to these cadetships the Department was considering introducing cadetships for Physiotherapists and Occupational Therapists in 1965.

Exhibit
73/7

74. The course of study for a Diploma of Social Studies is three years; for a degree, four years. In the selection of Cadets, preference is given to applicants who have completed part of their course and, consequently, cadetships run for only one or two years instead of the maximum period of three years. Matriculation is the minimum qualification for appointment as a Cadet Social Worker, but as a large number of under-diplomates and undergraduates apply for cadetships, the Department has not found it necessary to recruit from the field of matriculants. By selecting applicants who have proved their capacity to pass University examinations, the Department was said to be able to reduce the risk of a Cadet failing to complete his or her training.

Exhibit
73/7

75. One of the terms of a cadetship is that the Cadets attend a university course on a full-time basis, a large proportion of their fees being paid by the Department. Cadets are bonded to serve with the Commonwealth for varying lengths of time, depending on the length of their Cadetship. The

Q's. 130
and 438
and
Committee
file
1964/1/73

bond is fixed at £600 and is enforced on a pro rata basis according to the length of time the bondee remains with the Department. Mr. Kopp said that there are two schools of thought in the community as to whether there is a real advantage in bonding a person at all. In this regard, some large private organizations were said to have dispensed with bonding and rely on the goodwill of the individual.

Q's. 130
and 438
and
Committee
file
1964/1/73

76. Mr. Nordeck, the Public Service Board's observer, stated that the bonding system is reasonably effective in that it gives the Commonwealth Service the services of the individual for a specific period. He said that the bonded system did not make it difficult to obtain recruits. Some people were said to be using the cadetships to gain their qualifications with the intention of going elsewhere. While some Cadets may be lost to the Commonwealth Service, Mr. Nordeck did not consider that these losses were such as to justify a re-consideration of the bonded system.

Q's. 439
and 440

CHAPTER 8 - ORGANIZATION AND METHODS SECTION

77. The Organization and Methods Section located in Central Office of the Department was not formally constituted until 1954, although organization and methods work had been performed in the Department since 1950. Messrs. Brennan and Nott informed us that organization and methods units were established in a number of Commonwealth Departments in the late 1940's under the active guidance of the Public Service Board. We were informed that the Public Service Board's Methods Section (now the Management Services Division) continues to maintain close liaison with organization and method sections in the various Departments.

Q's. 120
121, 125
and 930.

78. A chart illustrating the organization of the Department's Organization and Methods Section is attached as Appendix No. 7. Mr. Nott informed us that the general philosophy of organization and methods units is that they should operate from the Central Office. This practice avoids the duplication which would arise from studying the same procedures in a number of States. Further, the practice avoids a possible danger that officers from the local administration may be too closely associated with the local administration to avoid local ties and associations.

Exhibit
73/15
and
Q. 957

79. The major tasks of the Organisation and Methods Section between 1959 and 1964 have comprised the introduction of punched cards, reviews of departmental branches, decentralisation, introduction of new or altered benefits, proposals for office machines and review of forms used by the Department. Each of the tasks, with the exception of the introduction of punched cards which is referred to in Chapter 10 are discussed below.

Exhibit
73/15

Reviews of departmental branches

80. Eight of these reviews had been undertaken, each review generally consisting of six phases - planning, data collection, formulation of recommendations, preparation and presentation of the report, discussions and the obtaining of agreement and review following implementation of the changes made.

Exhibit
73/15

81. When a Branch review is to be undertaken by the Organisation and Methods Section, the first operation required is to make a study of the Branch's staff organisation. All available background information on the Branch is examined, including any recent staff proposals, internal audit reports, statistical returns and any other relevant

Exhibit
73/15
and
Q.938

material. From this knowledge, the review team which normally comprises two or three members decides the number of interviews required to cover the Branch's operations, the amount of time to be spent on the data collection stage and whether it would be desirable to co-opt an officer of the Branch as a team member. Provision is made for each officer to conduct about two interviews per day. Not all members of the Branch are interviewed, but each is contacted in the course of the data collection stage and given the opportunity to make suggestions.

Exhibit
73/15
and
Q.938

82. Depending upon the size of the Branch, the data collection stage lasts from two to four weeks. The team then spends about another eight weeks considering recommendations and preparing the final report. This report is submitted to the Director (Management) who, in turn, transmits it to the First Assistant Director-General (Operations). Copies of the report are also forwarded to the relevant State Director, who is asked to comment on the recommendations and to indicate whether or not he agrees with them. It has been the experience of the Department that between 70 and 80 per cent. of the recommendations are accepted immediately. Many of the other recommendations are accepted after variations have been made to suit local conditions.

Q's. 938
and 939

83. As indicated above, a request is made in the case of some reviews, for an officer of the Branch concerned to join the review team. This practice was said to have several advantages. First, it provides a point of contact between the Branch concerned and the Organisation and Methods Section. Secondly, the officer's knowledge of local procedures and practices is of considerable assistance in the data collection stage. Thirdly

Q. 940

the Branch officer generally implements the accepted recommendations and this task is made easier when that officer has assisted in the review and is aware of the reasons behind the recommendations. Also, at the review stage, it is usually found that new procedures are better understood and working more satisfactorily. Q. 940

84. Mr. Grotty informed us that there were several ways in which the benefits derived from an Organisation and Methods review could be assessed. First, the output of the Branch may be maintained with fewer staff. Secondly, the amount of work required may be reduced to the point, where, despite an increase in work volume, the need for additional staff to cope with that increase could be postponed. Q. 941
Thirdly, accommodation may be saved and working conditions can be improved. Finally, better and faster work processes are beneficial both to the Department, and to its customers. He emphasised the value of these benefits to the Department as its volume of work is constantly increasing.

Decentralization

85. The Organization and Methods Section had planned the method for identifying files to be transferred to appropriate Regional Offices. The major task of transferring many thousands of files from three capital city offices to a number of Regional Offices was said to have taken place without any dislocation of service. Exhibit 73/15

Introduction of new or altered benefits

86. When the rates of, or scope of, social service benefits are altered or, when new benefits are introduced, the Organisation and Methods Exhibit 73/15

Section has the responsibility for planning the introduction of the change. When benefits are increased, it is generally necessary to devise means of :- identifying the payees eligible; recording eligibility on payment authorities and in statistical records; and making the increased payments available on the due date.

Exhibit
73/15

87. Where a new benefit such as supplementary assistance or student child endowment is introduced, there are additional contingencies to be considered. These include the design of claim forms, information posters for Post Offices and other stationery; assessment of work loadings; and co-ordination of the work to ensure that claims are received, examined and determined according to the program devised.

Exhibit
73/15

Proposals for office machines

88. All proposals for the purchase or hire of office machines are examined in the Organization and Methods Section before an approach is made to the Commonwealth Stores, Supply and Tender Board. Some of the proposals originate from the State Branches, (e.g. replacement of machines); others arise from investigations, carried out by the Organization and Methods Section, which disclose advantages through mechanizing manual processes.

Exhibit
73/15

89. Mr. Nott said that the need for a change in the Department's machine pattern can arise in a number of ways, such as the availability of different equipment, or recognition of a need for machines in a Branch which had not previously required them. Regardless of their sources, all proposals are submitted to the Central Office. The Organisation and Methods Section makes a close examination of the

Q's. 950
and 951

proposed and obtain in either of two ways the information on which to make a decision. The machine operator in the Division may obtain all the information or alternatively, a number of officers may perform the study. If the proposal involved is a large assignment, the costing recommendation on the proposal encompasses the costs involved and the benefits which will result from making the change. Recommendations to obtain new machines are approved by the officer holding the appropriate delegation (see Appendix A, Column 2) and the proposal is forwarded to the Commonwealth Stores Supply and Tender Board. This Board reaches its decision partly on the basis of the Department's report and partly on a report from the Management Services Division of the Public Service Board.

Q10, Q11
and Q12

Review of Form

Q13. The Department maintains a continuous programme for the review and control of departmental forms in conjunction with the printing programme. A review of all forms ordered by Central Office was said to have resulted in improvements in content and design. A number of forms have been abolished and others have been amalgamated. Mr. Grotty informed us that immediately prior to reordering a form, it is referred to the organization and Methods Section for examination by a specialist forms officer, who then refers it to the Department's Format Committee. This Committee judges forms on the basis of the use of the form obtained from the public, the information that it is designed to obtain or whether it is conveying the information that the Department is seeking to convey on the one or the other. The Department is informed as to the

Exhibit
7145
and
Q13(b)

has been able to reduce the old age pension application form from eight pages to two and has been able to amalgamate its claim forms for child endowment, maternity allowance and child endowment for later children into a single sided claim sheet.

Exhibit
73/15
and
Q.954

91. A list of the major assignments undertaken by the Organization and Methods Section between 1961 and 1964 is attached as Appendix No.8 This Appendix includes details of the Branches covered and a summary of the major results achieved. The Department stated that it was hoping to extend the program of regular Branch reviews following the completion of the programme for introducing punched card equipment. We were informed that the Department was hopeful that a review of its records, registries and associated systems would be performed as soon as an officer was selected for its newly created position of Registrar.

Exhibit
73/15

92. During the course of the inquiry, the Public Service Board approved the Department's proposal to create three additional positions in the Organization and Methods Section. It was intended that the occupants of these positions would be used to apply the techniques of work measurement to repetitive operations in many areas of the Department and to use the loadings developed for purposes of staffing and control. It was explained that the existing staff was primarily concerned with methods' studies. The Department expected that significant improvements in work standards would flow from the projected detailed application of work measurement techniques.

Exhibit
73/15
and
Q.958

CHAPTER 9 - RESEARCH SECTION

93. The Research Section was formally established in 1955. Research work of a similar nature to that now performed by the Research Section had been performed between 1949 and 1955, by a Special Projects Officer. A limited form of research (on aspects of social work) was performed under theegis of the Social Work and Research Section of the Department prior to 1949. The impetus to establish the Research Section in 1955 came from pressures within and outside the Department for more information and for more details of developments in social services generally. We were informed that the Research Section's function is carried out within the framework of the existing legislation, as distinct from broad issues of social welfare.

Exhibit
73/18
and
Q. 1174

94. The Research Section, led by a Director, is divided into three Sub-Sections, Research, Statistical and General Services. The Research Sub-Section has a staff of four, comprising a Senior Research Officer, Grade 2, a Senior Research Officer, Grade 1, a Research Officer, Grade 1 and an Assistant Research Officer. The Statistical Sub-section has a Chief Statistical Officer and two Clerks. The General Services Sub-Section is staffed by two Clerks. We were informed that officers in the Research Officer category, apart from Assistant Research Officers, must possess university degrees. Assistant Research Officers, are normally officers who are studying for a degree. Mr. Wearn informed us that only a person possessing a degree (preferably with a component of Statistics) would be accepted for the position of Chief Statistical Officer, although no formal qualifications had been stipulated for that position.

Q. 1175

95. The Research Sub-section conducts research studies which relate to the Commonwealth's social services programme. The Statistical Sub-section is responsible for the preparation and presentation of statistics required in respect of social service benefits. The General Services Sub-section is responsible for the preparation of Departmental brochures and the Social Services Handbook. This Sub-section also maintains current information on social security measures in overseas countries and in the States of the Commonwealth. Mr. Wryell said that the basic intention of the projects undertaken by the Research Section is to provide information to the Minister.

Exhibit
73/18
and
Q. 1188

96. Some examples of completed research projects are as follows :-

- . A Survey of Deserted Wives granted Widows' Pensions in Victoria.
- . A Morbidity Survey of Invalid Pensioners in Victoria.
- . A Survey of Rehabilitation Placements.
- . A Survey of the Circumstances of new Age Pensioners.
- . A Survey of Age and Invalid Pensioners admitted under the Reduced Residence Provisions.
- . A Survey of the Characteristics of Unemployment and Sickness Beneficiaries in Victoria.
- . A Survey of the Characteristics of Age, Invalid and Widow Pensioners in New South Wales.

Exhibit
73/18 and
Committee
file
1964/1/73

97. Projects which had been programmed for the future included :-

- . A Survey of the Characteristics of Pensioners receiving Supplementary Assistance
- . A Survey of the Characteristics of the Non-Pensioner Wives of Age Pensioners
- . A Survey of Class C. Widows to determine, inter alia, what happens to them when their pension ceases.
- . A Survey of the Characteristics of New Claimants for Age Pensions.

Exhibit
73/18
and
Committee
File
1964/1/73

98. We were informed that projects are largely confined to New South Wales and Victoria because of the speed and facility of obtaining information in those two States. Certain information on the punched cards in New South Wales lends itself to processing to provide data that will be of interest and assistance to the Department. The former location of the Central Office in Melbourne enabled the Department to obtain information more readily from that State than from other States. A further consideration for confining projects to New South Wales and Victoria was that 68 per cent. of the Department's customers are located in those two States. We were informed that test checks have been performed in other States, although less frequently than in former years, and the results of these checks had generally supported the evidence obtained from the two larger States. Mr. Wryell told us that in addition to these special surveys, the Department was receiving monthly, quarterly and annual statistics from the State Offices which provide very valuable information.

Q's. 1177
and 1178

99. One of the Research Section's functions is to forecast the future size of benefit groups. It is from this information that the Finance Branch of the Department prepares the Treasury Estimates for the ensuing financial year and, in the case of 1963-64, for the following two financial years. For

Exhibit
73/18

other purposes, such as the consideration of automatic data processing, it was necessary to attempt forecasts of a much longer range. In estimating future financial liability in relation to the various social service benefits, the Department applies the current maximum rates of payment (average rates in the case of pensions) to the estimated numbers in the benefit group. We were informed that in general, these forecasts are made by examining the size of the various benefit groups in relation to the population age groups from which they are drawn and extending this relationship to a projection of the future population which is based on data published by the Bureau of Census and Statistics. For short-term forecasts, in particular, the results are then examined in relation to whatever trends may be shown by Departmental statistics and assessments of the strength and validity of these trends as indicators of the future position.

Exhibit
73/18

100. Mr. Wryell told us that predicting population increase is a difficult and contentious question, particularly in regard to estimates of the increase resulting from migration and estimates of natural increase. He said that academic estimates of the birthrate vary sharply, so that apart from having informal consultations with Professor W. D. Borrie, Professor of Demography at the Australian National University, the Department's main source of expert assistance is the Bureau of Census and Statistics. Mr. Wearne said that, in the past, the Department's population projections have accorded closely with the estimates later published by the Bureau of Census and Statistics.

Q. 1179

101. Mr. Wearne used the example of forecasting the pensioner population for the next two to three years to illustrate the methods used by the Department to forecast the growth of the various benefit groups in relation to population age groups. The Department uses the figure for its projected population in the pensionable age groups and applies to it the figure for the existing proportion of male and female pensioners in the pensionable age groups. This was said to provide a reasonably accurate indicator of the likely number of age pensioners in the periods for which projections have been made.

Q. 1181

102. Forecasting maternity allowances is a more difficult problem than forecasting the pensioner population because the forecasts are dependent on the birthrate. Mr. Wearne said the practice of demographers is to apply the previous years' age specific fertility rates (the number of children born per thousand of women in the age groups) to the projected number of women in the age groups to obtain an estimate of the number of births for the projected period. However, in recent years, the forecasts of the birthrate had been too high. To obtain more correct estimates for maternity allowance purposes, the Department draws upon the experience of recent actual birthrates. Thus, if the Department's projection of the fertility rates resulted in a figure of 250,000 and, it was known that in the three previous years, (beginning from the year immediately past), the number of maternity allowances paid was 233,000, 235,000 and 241,000 respectively, the Department would be forecasting a sudden increase in maternity allowances if it accepted the figure for the forecast of the fertility rate (250,000) as the forecast of the number

Q. 1181

of maternity allowances to be paid in the ensuing year. Accordingly, the Department makes an estimate, which Mr. Wearne described as "more a guess than an estimate", that maternity allowances would rise to 235,000 in the ensuing year. He said that this practice had served the Department well during recent years and that it would be necessary to continue the practice until family formation rates and fertility rates become more stable.

Q. 1181

CHAPTER 10 - PUNCHED CARD EQUIPMENT

103. Mr. Notz defined "punched card processing" as a method of handling large volumes of work by reducing data held in a permanent or semi-permanent record, into a form of machine language - i.e., holes in a punched card, 8 inches by 4 inches in size. The cards are fed into machines which sort, collate and interpret them according to the information punched into them. The machine then prints the information in readable English characters. They can also tabulate and reproduce information in various formats. The value of punched card equipment was said to be limited by the volume of information which can be placed in a card of this size, using holes of the predetermined dimension. Limitations also arise from the speeds of the machine and the functions which they have been wired to perform.

Q. 1264

104. The first proposals for introducing punched card equipment for processing pensions' payments were made shortly after World War II. However, at that time there was no equipment available which was capable of performing the work required. An Organisation and Methods team from the Public Service Board, investigated the Department in 1950

Exhibit
73/13
and
Q. 815

and recommended introduction of a punched card system for the accounting for pensions. In 1952, the Department prepared a plan for the mechanization of payments processing in the mainland States.

Exhibit
73/13
and
Q. 815

105. The conversion to punched card processing was to be initiated in five stages :

Stage 1 - The conversion of family allowances' payments in New South Wales to punched cards.

Stage 2 - The conversion of family allowances' payments in Victoria to punched cards.

Exhibit
73/13

Stage 3 - The conversion of New South Wales pensions' payments to punched cards.

Stage 4 - The conversion of Victorian pensions' payments to punched cards.

Stage 5 - The conversion of both pensions' and family allowances' payments in Queensland, South Australia and Western Australia to punched cards.

106. Stages 1, 2 and 3 of the conversion programme were completed in 1954, 1956 and 1957, respectively. These involved a complete revision of all procedures, including the design of cheque forms and other stationery and the detailed planning of clerical and machine operations. Extensive staff training was undertaken and the Department launched a programme to obtain the co-operation of the public, banks and Post Office to avoid damage to the cheques and order forms which are again processed through the machines for reconciliation purposes after payment. This policy proved successful as the number of cheques spoiled by the public fell to about 1 per 100 after having been about 3 or 4 times greater than this when the system was first introduced.

Exhibit
73/13
and Q's
820, 828
and 829

107. Commonwealth Superannuation and Defence Forces Retirement Benefits were transferred to a punched card system of payment, first in Victoria, in 1957 and then in New South Wales, in 1958. As a result of these changes, the Department was able to mechanize the preparation of group certificates and the issue of life certificates. Stages 4 and 5 of the conversion programme were implemented in 1959. Stage 4 had been deferred pending the removal of the Department's Victorian headquarters to the new Commonwealth Centre in Melbourne. Superannuation payments by punched card processes, were also introduced in Queensland, South Australia and Western Australia in 1959.

Exhibit
73/13
and
Committee
file
1964/1/73

108. Following an examination in 1962 of the advantages stemming from the use of machine processes for benefit payments, it was decided to provide the Tasmanian State Headquarters with punched card equipment. Implementation of this decision was concluded in mid-1964.

Exhibit
73/13
and
Q. 835

109. It was stated that the apparent long delay in introducing punched card equipment, in five stages, over five years, was due to the fact that its introduction was on a trial basis. Mr. Crotty explained that the Department did not know how people would react to punched cards nor what damage would be done to the cards while they were in the hands of the public. The Department also had to learn the capacity of its staff to handle a changeover of more than one stage at a time. He also indicated that the Public Service Board and the Treasury regarded the first stage as being on a trial basis and desired to see the system completed and operating in New South Wales before agreeing to any further changeovers. Mr. Williams indicated that the conversion of the records to punched card

Q. 819

processes was in fact a major change and that the Department felt that it was prudent to make the changes in manageable portions.

Q.819

110. In the payment of pensions under a punched card system, there are two basic punched card records. One is the payment card into which is punched the name and address of the payee, file number, rate and type of pension, etc.. The other is a statistical card, though certain of the information punched into this card is used to identify special groups of pensioners as required.

Exhibit
73/13

111. Once approval is given by the person holding the appropriate delegation for the grant of a pension, a coding sheet is prepared and the payment and statistical cards are punched and certified from the information on the coding sheet. The payment card is then authorised after comparison with the file and passed to the Accounts Branch where it is listed and included in the control ledgers. The payment card is used to prepare the fortnightly cheque and other records where cheque payment is required, or, to prepare a book of punched card orders, where the pensioner is paid at a Post Office.

Exhibit
73/13

112. A similar system operates for the payment of child endowment except that one card is used for both payment and statistical purposes and the methods of payment available include credit to a nominated bank account each twelve weeks. A separate statistical card is used, however, for payments of student child endowment.

Exhibit
73/13

113. In every case where the pensioner has elected to be paid by cheque the payment card includes a postal code which has been evolved in conjunction with the Postmaster-General's Department

Exhibit
73/13

This code denotes the postal district in which the payee resides. After preparation, cheques are sorted on the punched card equipment by use of this code into postal district order and then enveloped by machine. It was claimed that in view of the volume of cheques involved it has been of great assistance to the Postal Department to receive the Department's cheques already sorted into postal district order.

Exhibit
73/13

114. Mr. Williams told us that the immediate benefit resulting from the introduction of punched card equipment was a reduction in the time cycle required for processing payments. For example, in 1951, the manual methods used in the Sydney Office had caused the payment cycle to be commenced six weeks before payment day. In the Queensland Office, in 1959, prior to introduction of punched card equipment, the processing of 58,000 payments by cheque commenced three weeks before payment day; currently, there are approximately 100,000 age and invalid pensions' cheques, which take ten days to process. The reduced time cycle for payments has reduced the number of errors, (resulting from changes of address and deaths occurring in the weeks before pay day), which formerly occurred. This, in turn, has reduced the clerical effort required to keep records current.

Exhibit
73/13
and Q's.
817,
839, and
869 to
871

115. It was claimed that, on a conservative basis, the saving to the Commonwealth, arising from the introduction of punched card equipment by the Department, was in the vicinity of £100,000. The Department also obtained a staff saving of 200 as a result of conversion to punched card processes. In the initial installation in Sydney, Stage 1, 45 positions out of a staff of 70 in the branch

Exhibit
73/13 and
Q's. 817
and 828

concerned, were saved immediately punched card equipment was introduced. There was no actual reduction in total staff employed, however, as the surplus staff was transferred to other positions which the Department had been holding vacant. These transferred staff generally required re-training for their new positions. The Department's work load was said to increase at approximately 4 per cent. each year, and at this rate, staff savings were difficult to achieve.

Exhibit
73/13 and
Q's. 817
and 828

116. All of the punched card equipment used by the Department is hired at a cost of £143,000 per annum. We were informed that the minimum period for hire is twelve months and an agreement to hire may be terminated upon three months' notice. Purchase of equipment was said to be uneconomic unless it can be used for more than six or seven years. It had not been necessary for the Department to retain any equipment for such periods. Mr. Crotty claimed that most of the Department's equipment would be worn out before reaching the break-even point between hire and purchase of machines. This was due to the fact that the Department's machines operate at 90 per cent. of their capacity whereas commercial installations may be used at only 30 or 35 per cent. of capacity.

Exhibit
73/13 and
Q's. 836
and 837

117. Mr. Crotty indicated that the capacity of the Department's punched card equipment must be adequate to meet peak loads. In this regard, the Department has a fortnightly pensions' payment cycle, a four weekly endowment payment cycle and a quarterly child endowment cycle. There are thus various peak loads for which adequate capacity must be provided, but, in addition, capacity must be adequate to cope with changes in legislation, as the persons eligible for increased benefits must be

Q's. 845
to 847

identified. Mr. Fagg added that the Department's practice of delaying the commencement of the payment cycle for as long as possible meant that the equipment was more heavily loaded.

Q's. 845
to 847

118. Another advantage claimed for the hire rather than the purchase of machines is that it permits a more ready changeover to more modern equipment. This was said to be important as technological advance is very rapid in this field. For instance, the Department's original sorting machines sorted cards at a rate of 650 per minute. The machines now used, sort at a rate of 1,000 per minute. Furthermore, the original collating machines collated at the rate of 240 cards per minute whereas the modern equipment now used collates at 650 cards per minute. We were informed that no difficulty arises if a new model of a machine is announced after an order has been placed. The supplier of hired equipment readily approves a change of order to enable the most modern equipment to be made available to the Department without delaying the changeover. Again, if a machine is replaced for mechanical reasons while on hire, the supplier replaces it with the latest available equipment without additional cost.

Q's. 836
and 837.

119. Mr. Williams informed us that the most interesting variation to the Department's procedures occurred when the Department replaced its Type 024 Punches, which merely punched a card, with Type 026 Punches, which print the information along the top of the card while punching the card itself. Using Type 024 Punches, the printing of the information along the top of the card had been another machine process. The Department had to punch the cards, then send them to the machine installation, have the punched information interpreted - that is, printed along the top of the card - and have the

Q. 840

card sent back to the benefits branch to be matched with the file, before the claim could be authorized for payment. In the Type 026 Punches, these operations are performed simultaneously. The Type 026 Punches are located in the benefits branches. This permits processing of card and file together, and thus enables payments to be authorized without interruption. The delay between the approval of a payment and the issue of the first cheque, which is performed by the Accounts Branch, is thus considerably reduced.

Q. 840

120. Since 1961, the Department of Social Services has been responsible for the paying processes of Repatriation pensions in Queensland, South Australia and Western Australia. This arose from a direction given by Cabinet in June, 1958 that an interdepartmental committee be formed to consider the practicability of paying Repatriation pensions by the machinery installed in the Department of Social Services. The interdepartmental committee which consisted of representatives of the two Departments concerned and the Treasury and the Public Service Board recommended that the Department of Social Services should take over the payment of Repatriation pensions in Queensland, South Australia and Western Australia. It also recommended, however, that due to the volume of work in the Repatriation Department's New South Wales and Victorian Branches, that Department should install its own punched card equipment in those two States. These recommendations were approved by Cabinet in October, 1958. Repatriation pensions payments' work was also taken over in Tasmania by the Department of Social Services following the inquiry in 1962 referred to earlier.

Exhibit
73/13

121. The transfer of the Repatriation Department's pension payments in Queensland, South Australia and Western Australia which occurred in 1961, resulted in an estimated annual saving to that Department of £48,500 per annum arising from a saving in staff who formerly had been used to process payments manually. The Department of Social Services is not reimbursed for this additional work although the Repatriation Department pays for the costs of postage, cheques and stationery. We were told that very little additional equipment was required to process the extra work as the Department of Social Services had surplus capacity in some of its machines. The Repatriation Department purchased some equipment to punch, verify and authorize cards before sending them to the Department of Social Services for payment purposes.

Exhibit
73/13 and
Q's. 830
to 833.

122. Mr. Williams said that no precise figure could be obtained for the overall savings obtained by the Commonwealth through the transfer of the Repatriation pensions' payment processes to the Department of Social Services. Mr. Crotty informed us, however, that the interdepartmental committee, in studying the economics of transfer, was satisfied that there would be a considerable saving to the Commonwealth.

Q. 834

123. Mr. Williams said that the operation of punched card methods of processing payments would not be extended to other areas of the Department's work as consideration was being given to the use of automatic data processing methods to meet possible future growth in the activity of the Department. The imminence of the adoption of automatic data processing methods had led the Department in 1964 to decide not to introduce punched card methods of payment of unemployment and sickness benefits. An examination of this area of work had shown that punched card methods could be adopted, but that the much wider use which could be made of automatic data processing methods in this work would now make introduction of punched card methods unprofitable.

Q's. 841
and 1049

CHAPTER 11 - APPLICATION OF AUTOMATIC DATA
PROCESSING METHODS

124. In addition to his definition of "punched card processing", (see Page 45), Mr. Nott defined "automatic data processing", "electronic data processing" and "computers" so as to distinguish the four terms. "Automatic data processing" is an advance on punched card equipment, in that, normally, the same or additional information is recorded in the form of magnetic spots on tapes. These tapes are passed through a series of machines which read the spots and manipulate them in a number of different ways. He said that the essential characteristic of automatic data processing equipment is that the machines are to some extent self-programming - the programme is built into the machine, which orders the various steps the equipment will take in manipulating the information and processing the final result. The other advance is that the machines are designed to work using electronic rather than electro-mechanical means and they therefore have the advantage of the high speeds which can be attained by electronics.

Q. 1264

125. Mr. Nott said that although "automatic data processing" and "electronic data processing" are used almost interchangeably, each emphasises a different aspect of the technology. "Automatic data processing" highlights the fact that steps take place "automatically" within the machine, that is, processing occurs without human intervention. "Electronic data processing" refers to the same class of equipment but emphasises the fact that it works by "electronic" methods rather than by electro-magnetic methods. He added that essentially the two refer to the same equipment.

Q. 1264

126. "Computer" is a term which, formerly, was used quite broadly, referring to any machine capable of computing or calculating. In recent years, however, its meaning has been restricted to a specialised piece of equipment which is capable of processing data, using electronic methods. The computer is the main or central processing unit in an automatic data processing installation. In addition to the computer, the installation encompasses a considerable amount of peripheral equipment to take care of the input and output and to handle the other activity going on in the installation. Q. 1264

127. Despite the improvements that had been effected by the introduction of punched card methods, during the 1950's it was increasingly evident that greater benefits could be derived from the use of automatic data processing equipment. The punched card system brought about improvements in the preparation and issue of cheques and orders. Automatic data processing operations were said to offer possibilities for improvements to general clerical work processing, including determination of entitlements to benefits, in addition to processing payments' work. Furthermore, the pressures due to increased work volume which had led to the introduction of punched card equipment in 1952 were beginning to tax the capacity of this equipment to meet payment cycles, particularly in larger States. Exhibit 73/23

128. The Department's association with automatic data processing began in 1957 when it paid the fees of two officers to attend a course on automatic data processing at the Melbourne Technical College. This course was sponsored by the officers forming the Electronics Sub-Committee of the Victorian Regional Organisation and Methods Group. The course of evening lectures extended for a period of 20 weeks, departmental officers attending in their own time. Committee file 1964/1/73

129. In June, 1960, the Public Service Board notified departments that an Inter-departmental Committee on Automatic Data Processing had been established at the instance of the Prime Minister. This Committee had a charter to co-ordinate, plan, develop and utilise automatic data processing systems for scientific and office work in Commonwealth Administration. The Public Service Board's letter further informed Departments that "the concept of horizontal co-ordination involved in the charter of the Committee is not intended in any sense to be construed as limiting the importance of the active role that each Department must play in the development and use of automatic data processing systems nor as detracting from the responsibility of each Permanent Head for all the business of his Department".

Committee
file
1964/1/73

130. In 1960 an officer of the Department of Social Services was nominated to attend a fourteen weeks' course in automatic data processing being held by the Public Service Board. A number of these courses have been conducted since August, 1960. The services of private organisations have been used in these courses. One element of these courses covers the development of techniques to be used in connection with the advancement of data processing systems, making use of automatic data processing equipment to simulate actual working conditions.

Q's. 1270,
1271, and
1275 and
Committee
file
1964/1/73

131. In 1961, the Public Service Board carried out a brief exploratory survey to check on the possible applications of automatic data processing systems to the work of the Department of Social Services and submitted its Report to that Department in November of that year. On the basis of this Report, the Public Service Board approved the establishment of a feasibility study team of ten officers from the Department to make a detailed study

Exhibit
73/23
and
Q. 1269

of the feasibility of this class of equipment to the Department. The officers selected for the feasibility team were each required to attend the Public Service Board's training course as a prerequisite for joining the Automatic Data Processing Study Team. These officers, who were drawn from the Department's Central Office and State headquarters in Sydney, Melbourne, Brisbane and Adelaide, had accumulated experience in all phases of the Department's work.

Exhibit
73/23 and
Q. 1269

132. The study commenced in September, 1962. Each phase of the Department's operation in State offices was systematically examined and details were recorded in work flow charts. The considerable ramifications of the Department's processes required several hundred work flow charts to provide a thorough presentation of requirements. A great deal of statistical material was gathered; for instance, the team ascertained the number of alphabetical and numeric characters involved in the instructions or advices which flow from one step in a procedure to another. This degree of depth is necessary as automatic data processing equipment works by storing, transferring and acting on characters, either grouped or singly. To determine the size and capacity of the machine required it is necessary to know how many characters are involved in every transaction.

Exhibit
73/23

133. The next step required was to analyse all of the recorded operations to eliminate any unnecessary steps as well as to eliminate those which could not profitably be handled by automatic data processing methods. An automatic data processing system was then developed by a process of synthesis.

Exhibit
73/23

134. As the system ideas were developed, certain key Departmental functions (pensions, family allowances, unemployment and sickness benefits and accounting) were selected for testing on automatic

Exhibit
73/23
and
Q. 1279

data processing equipment. Programmes, (the necessary instructions for the equipment), were written to operate these particular tasks. A private organisation's equipment was used. Officers undertook a three weeks' familiarization course with the organization to understand the machine and to learn that organization's machine language. The officers then collected case data from Departmental records to simulate an actual exercise. They programmed the four functions on the organisation's equipment, tested the programmes and then demonstrated them to the Department's top management on the private organisation's service bureau equipment, to show the practicability of the operation. However, a vast amount of more detailed programming effort was said to be required before the system could become operational.

Exhibit
73/23 and
Q. 1279.

135. By early 1963, the shape of the Department's automatic data processing system was emerging. However, whilst some trials had been conducted in Australia, it was difficult to obtain information in this country on the practicability of certain systems' ideas formulated by the Study Team. In particular, it was desirable to ascertain whether the procedures proposed for the Department had been tried out on social security work in Britain and the United States of America both of which countries have been using automatic data processing for a number of years. Accordingly, it was decided to send two officers to those countries to survey the automatic data processing systems in use on social security work.

Exhibit
73/23

136. During their eight weeks' tour, which commenced in May, 1963, the two officers studied computer installations at the British Ministry of Pensions and National Insurance, the United States' Social Security Administration, New York's Department of Welfare and the United States' Treasury.

Exhibit
73/23

In addition, visits were made to the British Post Office and the New York Motor Vehicles Department to study the use of computers for index searching techniques and to the Canadian Department of National Health and Welfare, the Canadian Treasury and the Californian Department of Employment.

Exhibit
73/23

137. The information obtained from these overseas organizations was incorporated into the system designed by the Department's Study Team, which presented its Report to the Director-General in December, 1963. The Report recommended that the Department should take the necessary steps to install automatic data processing systems, initially, in the Sydney and Melbourne Offices (at an estimated cost of £650,000) and later, in the capital cities of the remaining mainland States (at an estimated further cost of £680,000) and that this equipment should replace existing, rented punched card equipment which would be returned to its supplier.

Exhibit
73/23

138. In regard to this pattern of development it was pointed out that the Department is highly decentralized and that there is a strong body of opinion in the Department that, if at all feasible, automatic data processing equipment should be installed in each State. Mr. Nott informed us that whilst the Department could not decentralize its equipment to the smallest country towns, it felt that a balanced approach would be achieved if centralisation were to be centred on State Metropolitan offices. This would enable the Department to maintain the same level of service as it is currently being offered. The Department was not sure, however, that it could offer this level of service if compelled to adopt a programme of full centralisation.

E
Q's. 1296,
1299, 1307,
1309 and
1315.

139. The system outlined in the Report envisages the use of automatic data processing techniques for record keeping, index searching and routine benefit examinations and reviews. The system proposed also provides that all payments will be made from records held in magnetic form. The system would automatically record and dissect expenditure. This would result in a complete accounting control as an automatic by-product of benefit determination and payment. The Department expected that the substantially higher printing speeds available with automatic data processing equipment would facilitate the task of meeting its extremely critical payment cycles.

Exhibit
73/23

140. After considering the estimated expenditure for suitable equipment in relation to the advantages likely to be achieved, the Department accepted the Study Team's recommendation and sought the concurrence of the Treasury and Public Service Board on 20th March, 1964.

Exhibit
73/23

141. Apart from cost savings, which the Department claimed would be substantial, it was also stated that the use of automatic data processing equipment for work that is now handled entirely by clerical means will produce extremely important systems' advantages for the Department. These advantages will enable it to provide a much better service to the public. One such advantage was said to relate to the development of an index, of all of the Department's beneficiaries. It was explained that, under the present system of operation, the Department's indexes comprise a card index of beneficiaries for each type of benefit paid. This results in difficulties as between indexes and difficulties as between States. A technique learned from an American

Exhibit
73/23
and Q's.
1282 and
1283

organisation, however, enables a number based on name and date of birth and unique to each beneficiary to be built up into a complete index, not under categories of benefit and free of any State border complications. This technique was brought back to Australia in punched card form, rewritten in terms of the Department's data and its effectiveness tested on the private organisation's automatic data processing equipment on which the Department's programmers had been trained. Another advantage claimed for the proposed system was that the Department hoped to obtain a great deal more information under its control for policy purposes than was available under the existing system and to obtain this type of information more quickly.

Q. 1284

135. As already indicated the Department has had recourse from time to time to the use of automatic data processing equipment operated by a private organisation. The cost to the Department of hiring about 12 hours of machine time from private enterprise amounted to £811 in 1963-64, A provision of £2,800 was made for this purpose in 1964-65. We were assured by the Department that it had made inquiries from other Commonwealth it had made inquiries from other Commonwealth Departments which are moving into the field of automatic data processing but, for one reason or another, (such as inability to spare time from their own developmental work, or inadequacy of machine time available to the Department of Social Services, or remoteness from the Department's centres of data,) it had not been able to place its work into other departmental machines. The position was subject to change, however, and an offer of assistance had been received recently from another Department that was moving into a stage where it might be able to make time available to the Department during the working of a second shift.

Q's. 1169,
1283, and
1285 to
1287

153. We were informed initially by the Department that it would be advantages for automatic data processing equipment to be installed in its Sydney and Melbourne Offices before February 1966 to facilitate the work of conversion to decimal currency and that it would endeavour to achieve this objective. However, Mr. Nott informed us in March, 1965, that the latest estimate by the Department showed that the equipment might not be installed and operating in Sydney and Melbourne until late in 1966. Exhibit
73/23 and
Q. 1294

144. The Department supplied us with the following information in Table No. 2 to show the plans involved in introducing automatic data processing equipment into the Department of Social Services and the length of time involved in each phase. Q's. 1293
to 1295
and
Committee
file
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TABLE NO. 2

TYPICAL TIMETABLE FOR ACQUISITION OF COMPUTER EQUIPMENT IN COMMONWEALTH PUBLIC SERVICE

(i)	To obtain approval to proceed	- 1 month
(ii)	To prepare detailed specifications	- 2 months
(iii)	To obtain approval of Interdepartmental Committee on Automatic Data Processing to issue of Specifications	- 2 months
(iv)	To arrange issue of Specifications by CSSTB.	- 1 month
(v)	Open period for tenders	- 3 months
(vi)	To evaluate tenders received	- 3 months
(vii)	To prepare report for Interdepartmental Committee	- 1 month
(viii)	To obtain recommendation of Interdepartmental Committee for selected equipment	- 1 month
(ix)	To obtain approval of full CSSTB to acquisition of equipment	- 1 month
(x)	To arrange issue of letter of intent	- 1 month
(xi)	Delivery period for equipment	- 12 months
(xii)	Installation and preparation for production	- 2 months
TOTAL		<u>- 30 months</u>

145. Mr. Nott informed us that the substantial delays that had occurred in the processing of the Department's proposal had been occasioned by the very careful consideration that had been given by all parties to each alternative proposal that had been put forward. These alternative proposals had been a major factor in delaying the Department at varying stages while it analysed and investigated them.

Q. 1293
to 1295

146. Although the approval of the Inter-departmental Committee on Automatic Data Processing had been given for the Department to proceed with the preparation of detailed specifications, Mr. Nott informed us that the Department did not know to what extent it would have the support of the Committee. It appeared to the Department that the Committee was prepared to agree that it should invite tenders for equipment capable of handling all work, except the Department's payment work, in one major State but that the Department should ask suppliers to indicate their proposals for expanding their initial installation to cope with the remainder of the Department's work throughout Australia. The Committee's agreement to this arrangement was subject to the proviso that the

Q's. 1293
and 1300
to 1307

Department would allow its payments' work to be separated from the remainder of its work in the smaller States and as an interim measure that it should collaborate with the Public Service Board and the Repatriation Department in developing, in the first instance, a common programme capable of producing cheques for at least the Repatriation Department and the Department of Social Services in those States. The Committee had also suggested that the Department might be wise to pursue a similar course in the larger States by relinquishing its cheque payment work in those States to a machine operated by the Bureau of Census and Statistics. He indicated, however, that until the tenders are received from suppliers and their alternative proposals ranging from full decentralisation to full centralisation can be examined, it was not possible to assess what pattern might emerge.

Q's. 1293
and 1300
and 1307

147. Mr. Nordeck informed us that it was hoped that the equipment for the Bureau of Census and Statistics, expected to cost approximately £2 million, would be installed during 1965. Mr. Nott stated, however, that until the Bureau has taken up its work load, it would be impossible to forecast whether it would be using this equipment for all of one shift, all of two shifts or all of three shifts.

Q's. 1305
and 1307

148. Mr. Nordeck did not consider that the proposals submitted by the Department of Social Services had created a particular problem within the Inter-departmental Committee on Automatic Data Processing. He stated that the Department of Social Services had undertaken its feasibility studies and had developed plans. The Inter-departmental Committee had considered these plans, and, not unnaturally, the pooling of views of experienced people had led to alternative propositions being put forward. Mr. Nordeck indicated that automatic data processing equipment is expensive and drew attention to the need to ensure the full utilisation of installed equipment. He felt that the scheme under consideration would be developed satisfactorily.

Q's. 1307
and 1312.

PART III - FINANCIAL AND STORES ADMINISTRATION OF THE
DEPARTMENT

CHAPTER 12 - RECEIPTS OF THE DEPARTMENT

149. Receipts of the Department of Social Services comprise moneys which are credited to a head expenditure or moneys which are credited to a head of revenue of the Department of Social Services.

Exhibit
73/9

150. The moneys credited to a head of expenditure are credits in respect of expenditure under the various items of the National Welfare Fund and other Special Appropriations. These credits also relate to Annual Appropriations where the moneys are received within the same financial year as that in which the expenditure was made. Details of these credits are not available under their separate categories for any financial year as the amounts received are combined with payments to produce a figure of net expenditure.

Exhibit
73/9

151. The moneys credited to a head of revenue of the Department of Social Services were, until the financial year, 1963-64, combined by the Treasury with the revenues of a number of Departments, under a common head of Miscellaneous Revenues. Commencing from the financial year, 1963-64, these receipts have been recorded within the Department, and within the Treasury, as "Revenue - Department of Social Services". This action was taken after the Treasury issued a circular in 1963 informing Departments that it would be necessary to prepare estimates of revenue in addition to estimates of expenditure.

Exhibit
73/9 and
Q. 244

152. Prior to the issue of Treasury's direction to prepare estimates of revenue, the Central Office of the Department of Social Services did not seek details of revenue from its State Offices. For the purpose of the present inquiry, however, the Central Office has obtained its revenue figures for the years, 1958-59 to 1962-63 inclusive, from the records held in those Offices. The State Offices had not recorded receipts under a particular and uniform dissection before 1963-64 as the revenues had been transmitted to the Department of the Treasury, through the Sub-Treasuries, as miscellaneous receipts.

Exhibit
73/9 and
Q. 250
and Q.251

153. Mr. Murphy said that the Department had not considered that there was any necessity to know the details of its revenue as total revenue approximated £60,000 per annum and monthly totals were reasonably constant. He indicated that the only benefit derived from assembling in the Central Office the details of revenue received by the State Offices was that the Department's revenue figures are known precisely. He added that whilst the additional work involved in assembling these details was not great when compared with the work involved in assembling the amounts of expenditure each month, it added to the tasks of his small section. Details of revenue could be obtained from the State Offices at quarterly or half-yearly intervals.

Q's. 250
and 251

154. Following the decision made in 1963 to record receipts under a particular and uniform dissection, the following heads of revenue have been used :-

Commission and surplus exchange on imperial pensions.
 Fees, fines and costs of court.
 Appropriations of former years.
 Repayment of principal and interest on rehabilitation loans.
 Unrequired balances - Trust Fund (Pension Suspense Trust Account).
 Stale Cheques.
 Commission on assurance collections from staff salaries.
 Conscience money.
 Sale of surplus goods.
 Incidentals.

155. The revenue estimated for 1963-64 was £62,000 of which revenue from the Commission on Imperial Pensions was estimated to be £56,000. Details of revenue for the financial years, 1958-59 to 1964-65, inclusive, are set out at Appendix No. 11. Your Committee's examination of the revenues of the Department has not extended beyond the financial year 1962-63, this being the latest available data as at 3rd June, 1964, when this phase of our inquiry was undertaken. Explanations of a number of the heads of revenue are set out below.

Exhibit
 73/9
 Committee
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156. The Department of Social Services performs all of the clerical and accounting work in respect of payment of Imperial Pensions. We were informed that, at regular intervals, the Governments of Britain, Ceylon and the State of Singapore, submit their authorities for payment of their pensions to the Department. The actual payment is made by the State Offices of the Department which, in turn, prepare claims for reimbursement from the overseas governments. These claims are forwarded to the Central Office of the Department, which totals them at the end of each month, calculates a commission (based on $1\frac{1}{2}$ per cent. of the total expenditure) and forwards the claims, including the commission, to the country of origin. The whole amount (expenditure plus commission) is received by the Department. The Department draws upon its credit of between £500,000 and £600,000 in the Imperial Pensions Trust Account when it makes payments to

Q's. 262
 and 263

Imperial Pensioners. When the reimbursements from overseas governments are received, they are paid into the Imperial Pensions Trust Account. Q's. 262 and 263

157. The New Zealand Social Security Commission does not pay commission to the Department for pension payments made on its behalf as under the reciprocal agreement between the two countries, the New Zealand Social Security Commission pays pensions in New Zealand on behalf of the Department of Social Services without making any charge for commission. Q. 323

158. The head, "Repayments of principal and interest on rehabilitation loans", refers to loans made under the rehabilitation provisions of the Social Services Act. These loans are made to persons who have completed their period of rehabilitation but who are unable to travel or who are still unfit to engage in normal employment, but who may wish to establish a small business at home. The Department, which has established a monetary limit of £200 on such loans, satisfies itself that a case exists for making a loan. The conditions of the loan are determined in consultation with officers of the Deputy Crown Solicitor's Office. Repayments of principal are made on a monthly basis and interest is charged at $4\frac{1}{2}$ per cent. per annum. We were informed that the number of these loans has always been very small, only one being in operation at the time of Hearing. Q.327

159. The head, "Appropriation of former years", refers to moneys which are repaid to the Department in a financial year subsequent to the financial year in which the expenditure was incurred. An example of this item would be an overpayment made to an officer in 1962-63 but not detected until 1963-64. Q.325

If the amount of the repayment was to be credited to receipts for 1963-64, the funds available to the Department for expenditure in that year would be greater than that which Parliament had appropriated for that year.

Q.325

160. Fluctuations in the receipts credited to the "Appropriation of former years" head between 1960-61 and 1962-63 were principally due to recovery of grants under the Aged Persons Homes Act. The Department recovers grants made under this Act when a home ceases to be an aged person's home under the provisions of the Act. In 1960-61, an amount of £3,875 had been repaid to the Department when a portion of the land, on which an aged person's home was to be erected, was resumed. The resumed portion of the land no longer came within the provisions of the Act. The Department was therefore entitled to receive repayment of a portion of the grant previously made.

Q.325 and
326

161. As is indicated in Appendix No. 11, a number of changes have occurred in the Department's receipts between the financial years 1958-59 and 1962-63. We were informed that the head, "Unrequired Balances - Trust Fund (Pensions Suspense Trust Account)" has become a non-recurring head following the closure of the Pensions Suspense Trust Account in 1962-63. Prior to the closure of this Account, the Department, when issuing cheques in payment of pensions, debited the total amount of the cheques to the National Welfare Fund (age and invalid pensions) and credited the Pensions Suspense Trust Account. When the cheques were returned by the bank to the Department, the Department debited the Pensions Suspense Trust Account. The Department then paid the total value of the cheques to the banks, which meant, in effect, that the banks were

Q.328

carrying the expenditure on pensions on overdraft. The Department's present practice in issuing fortnightly cheques for pensions' payments is to debit the National Welfare Fund and pay the value of the cheques into the banks in the same way that an ordinary drawing account functions.

Q. 328

162. The decline in the value of receipts in the head "Stale Cheques", from £59,409 in 1958-59 to £250 in 1962-63 was attributed to the gradual adoption by all State Offices of the correct method for accounting for stale cheques. For a number of years after 1942-43 when the accounting work had been transferred from the Sub-Treasuries to the Department, the State Offices performed their accounting work as they had performed it in the Sub-Treasuries without a great deal of oversight from the Department's Central Office. During this period, the States became inconsistent in their treatment of stale cheques due to an ambiguity in the relevant Treasury Instruction. After an examination of the Treasury Instruction the Central Office informed the State Offices concerned, of the required method for treating stale cheques and drew the attention of the Treasury to the ambiguity. The Treasury accepted the Department's point of view and issued a new Instruction.

Q's. 329
and 330.

163. We were informed that the Department is required by Section 36(c) of the Audit Act to credit any repayments which arise from expenditure made from the National Welfare Fund back to the National Welfare Fund. Mr. Herring said that the Treasury has issued an Instruction, under Section 36(c) of the Audit Act, relating to Unclaimed and Stale Cheques, which states :-

"Unclaimed and Stale Cheques

Where the cheque is in respect of expenditure from the Trust Fund, the Loan Fund or a Special Appropriation, that Fund or Appropriation should be credited irrespective of the year in which it was drawn. In all other cases, if the cheque was drawn in the current financial year it should be credited to the original head of expenditure; if drawn in a previous year it should be credited to the Revenue of the Department concerned."

Q's. 333
and 335

164. Mr. Herring stated that there would be a reasonably consistent pattern of stale cheques from one year to another so that there would always be a carry over of stale cheques.

Q.335

165. Mr. Goodes informed us that when a stale cheque is credited back to the National Welfare Fund, simultaneous action is taken, by journal entry, to reduce the balance of that Fund by the same amount, and to credit the amount concerned to Revenue Expenditure (Special Appropriation). He stated that these actions were the reverse of the accounting action required before expenditure can be made from the National Welfare Fund, i.e. credit is made available to the Fund from the Special Appropriation. The crediting of stale cheques therefore can provide no latitude for making further payments from the Fund.

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166. Mr. Fealy, the Audit Office observer, stated that the payment of benefits by the Department of Social Services is first made from the National Welfare Fund Trust Account and the National Welfare Fund itself is reimbursed from special appropriation under the National Welfare

Q. 342

Fund Act. To that extent, it is a different appropriation from an annual appropriation made by the Parliament. The procedure now adopted by the Department of Social Services of crediting stale cheques to the National Welfare Fund, thereby reducing the amount by which the National Welfare Fund has to be reimbursed by special appropriation, is in accordance with current legislation. He further stated that he could not see any advantage in extracting separate figures for stale cheques.

Q. 342

167. Mr. Murphy assured us that the existing revenue analysis is adequate for the purposes of the Department and that the analysis of revenue and dissection of expenditure is under review continuously.

Q. 366

CHAPTER 13 - EXPENDITURE ON SOCIAL SERVICES ADMINIST-
ERED BY THE DEPARTMENT OF SOCIAL SERVICES

168. Details of expenditure on social services benefits administered by the Department for the financial years 1952-53 to 1964-65 inclusive are set out as Appendix No. 12. Your Committee's examination of expenditure under this heading has not extended beyond the financial year 1962-63, this being the latest available data as at 3rd June, 1964 when this phase of our inquiry was undertaken. Expenditure for the financial years, 1963-64 and 1964-65, has been included for comparative purposes only. The details of expenditure under this heading have been grouped under the following sub-headings: National Welfare Fund; Other Services; War and Repatriation Services; and Capital Works and Services. Payments for social service benefits administered by the Department of Social Services but made by other Departments and the banking system and payments of social services benefits administered by other Departments, but made by the Department of Social Services, are examined separately in Chapter 14. Payments for social services administered by the Department of Social Services, but made by overseas Governments, and payments of social service benefits administered by overseas governments, but made by the Department of Social Services, are examined separately in Chapter 23.

A. NATIONAL WELFARE FUND EXPENDITURE

169. Expenditure by the Department from the National Welfare Fund increased from about £142 million in 1952-53 to nearly £291 million in 1962-63 and to £335 million in 1964-65. Over the years, such expenditure has accounted for approximately 99 per cent. of total expenditure by the Department on Social service benefits. The components of expenditure by the Department from this Fund are set out below.

Funeral Benefits - Age and Invalid Pensioners

170. Payment of an amount not exceeding £10 may be made towards the cost of the funeral of an age or invalid pensioner, or of a person eligible to claim an age or invalid pension, or of a person who, Exhibit 73/9

at the time of death, was a claimant for or recipient of tuberculosis allowance and who, otherwise, would have been qualified to receive an age or invalid pension. Exhibit
73/9

171. The expenditure on this benefit has risen from £270,000 in 1952-53 to £401,000 in 1962-63 and to £433,000 in 1964-65. Exhibit
73/9

Age and Invalid Pensions

172. These two pensions are paid according to a means test and other qualifications. Provision has been made to extend additional benefits to the wives and children of invalid pensioners or invalided age pensioners. Supplementary assistance is also payable to single pensioners (and to married pensioners whose spouses do not receive a pension or an allowance,) if the pensioner pays rent and is deemed to be entirely dependent on his pension. For student children of pensioners, payments continue up to the end of the year in which the children attain the age of 18 years. Exhibit
73/9

173. Mr. Murphy informed us that the Department does not maintain separate figures for the payment of age and invalid pensions because the rates of payment for each pension are identical and when amended, they are always increased by the same amounts. He said that the introduction of a system of separate figures for each pension would involve the introduction of separate accounting for the combined expenditure in the Department itself, in the Treasury, in the Sub-Treasuries and in the Post Offices. He provided us with a number of the effects which would result from the introduction of separate figures in the Department. First, two heads of expenditure would be required in the appropriation ledger. Secondly, an extra money column would be required in all returns submitted to the Treasury and Sub-Treasuries. Thirdly, separation of the records would involve separate punched cards, which would duplicate or double the clerical work involved in Exhibit
73/9 and
Q's. 284
and 286

accounting. Finally, in regard to those invalid pensioners who reach the age of eligibility for age pensions but who, physically, remain invalids, separate figures of expenditure for each pension would involve distinguishing these persons in the Department's records.

Exhibit
73/9 and
Q's. 284
to 286

174. Mr. Murphy said that the Department obtains the figure for the overall value of invalid pensions at the end of each year when the punched cards are examined for statistical purposes. He said that the Department would obtain a reasonably close estimate of the liability for invalid pensions in 1962-63 by using the figures for the ratio of age pensions to invalid pensions as at 30th June, 1963, the overall rate of invalid and age pensions and the total expenditure on age and invalid pensions for 1962-63.

Q's. 284,
287 and 288

175. Mr. Wryell informed us that most overseas countries distinguish the classifications of the different benefits paid. He said that the grouping of age and invalid pensions in Australia was largely for historical reasons as the two pensions have a common origin in the one Act and both pensions were charged originally to the same trust fund. Mr. Nott added that in the past the Department and the Treasury had examined the question of separating the two items. From these examinations, it had been decided that from the balance of advantage and the cost of separating the records for the two pensions as against the fractional percentage of increased accuracy that would result, the existing procedure should be maintained. He indicated that even with the use of automatic data processing equipment a great deal of manual handling of the accounting arrangements would be required, so that separation of the items would still cost more to achieve. The Treasury observer, Mr. Herring, commented that his Department regarded the present estimate of expenditure on age and invalid pensions as adequate.

Q's. 291,
294, 296
and 298

176. The expenditure under this head of expenditure has risen from £72,423,900 in 1952-53 to £187,753,563 in 1962-63 and to £213,298,645 in 1964-65, an increase of 195 per cent. over the period, 1952-53 to 1964-65.

Widows' Pensions

177. Pensions and other benefits may be paid to widows and their children under certain conditions. Supplementary assistance is also payment where the pensioner pays rent and is deemed to be entirely dependent on her pension. For student children of pensioners, payments continue to the end of the year in which the children attain the age of 18 years. Such expenditure has risen from £6,333,000 in 1952-53 to £15,676,000 in 1962-63 to £23,522,000 in 1964.-65

Exhibit
73/9

Maternity Allowances

178. These allowances are paid to mothers on the birth of a child. The amount payable varies according to the number of other children in the family. Higher payments are made for multiple births. Expenditure on this allowance has fluctuated from year to year, as indicated in Appendix No. 12. In 1952-53, an expenditure of £3,248,305 was recorded while the highest expenditure during 1952-53 was £3,908,336. Expenditure in 1964-65 was £3,646,784.

Exhibit
73/9

Child Endowment

179. Child endowment is paid to a person having custody, care and control of one or more children under 16 years and to an approved institution in respect of each child under 16 years who is an inmate. The amount payable varies according to the number of children in the family. In 1964, the Social

Exhibit
73/9

Services Act was amended to enable the payment of endowment to continue for student children between the ages of 16 and 21. We were informed that the substantial fluctuations in expenditure for child endowment between 1958-59 and 1961-62, as shown in Appendix No. 12, were attributable to variations in the number of payment days in 1958-59 and 1960-61 for those endowees whose endowment is credited to bank accounts. Bank credit payments occur at 12 weekly intervals. Expenditure on child endowment has risen from £46,625,052 in 1951-52 to £66,377,628 in 1961-62 and to £86,414,833 in 1964-65.

Exhibit
73/9

Unemployment, Sickness and Special Benefits

180. Benefits may be paid, subject to an income means test, to persons whose normal earnings have been temporarily interrupted through unemployment or sickness. A third class of benefit - designated Special Benefit - is also provided to give a measure of assistance to those persons who, on account of some special circumstances, cannot comply with the statutory requirements relating to unemployment and sickness benefit and who are prevented from earning a livelihood but who are in need. The amount payable varies according to age (in respect of persons under 21 years), conjugal condition and the number of children in the family. The substantial increase in expenditure in 1961-62 compared with other years, was attributed to major increases in rates of benefit under amending legislation in that financial year coupled with a high number of persons in receipt of unemployment benefits. Expenditure under this head has been subject to wide fluctuations. In 1952-53 an expenditure of £6,255,472 was recorded. In 1961-62, there was an expenditure of £15,904,880 and in 1964-65 £7,269,871.

Exhibit
73/9

Commonwealth Rehabilitation Service

181. Under this Service, rehabilitation benefits are provided for four classes of person : invalid and widow pensioners and claimants for pensions; unemployment, sickness and special beneficiaries (and claimants for these benefits), who but for treatment and training, would be likely to be unemployable; persons in receipt of tuberculosis allowance; and persons who have attained the age of 14 years but who have not attained the age of 16 years and who, without treatment and training, would probably become qualified to receive an invalid pension on attaining 16 years of age. Exhibit 73/9

A steady increase in expenditure under this head has been recorded since 1952-53 when £454,557 was spent. An expenditure of £723,261 was made in 1961-62 and in 1964-65 expenditure was £801,890.

182. The expenditure under this head is established to meet the cost of benefits afforded to rehabilitees, (as provided for in the legislation, for example, rehabilitation allowances, training allowances, living-away-from-home allowances, fares regularly incurred by rehabilitees in travelling for treatment or training, surgical aids and appliances, books, equipment and tools of trade) and of treatment and training. Exhibit 73/9 and Q. 345.

Treatment costs include the cost of medical and hospital treatment and remedial treatment expenses similar to those normally incurred in the running of residential and day attendance centres, e.g. salaries of domestic and professional staff, repairs and maintenance and remedial equipment. In Tasmania, where the Department lacks an establishment, arrangements have been made for medical rehabilitation treatment to be provided at a hospital at an agreed charge.

Training costs included under this head are in respect of tuition provided by such institutions as Government Technical Colleges, private business colleges and by correspondence.

B. EXPENDITURE UNDER OTHER SERVICES

183. This sub-heading groups heads of expenditure on social services administered by the Department but not provided for under other sub-headings. The introduction of grants for homes for aged persons is the major reason for the growth in expenditure under this sub-heading (from £104,614 in 1952-53 to £3,311,477 in 1962-63).

Compassionate Allowances and Other Payments Under Special Circumstances

184. Payment of compassionate allowances is provided under this head. These payments are in the nature of age and invalid pensions, wives' allowances and funeral benefits to or in respect of aliens who have resided in Australia for 50 years, in the case of "age" pensioners, or for 20 years continuously in the case of "invalid" pensioners who are not naturalized but who are deserving persons. It also provides for payments equivalent to widows' pension to be made in cases of bigamous marriages and for payments equivalent to widows' pensions or other benefits where considered justified on compassionate grounds. Such payments are made to persons who become widows or invalids after arrival in Australia, and, for maternity allowance and child endowment, to wives of members of the defence forces serving in the Territory of Papua and New Guinea. The rates of compassionate allowances are identical with the rates of the appropriate benefits under the Social Services Act. Expenditure under this head has fluctuated from £74,823 in 1952-53 to £110,089 in 1959-60 to £80,630 in 1964-65.

Exhibit
73/9

Housekeeper Service Grant

185. This head is provided to assist organisations conducting emergency housekeeper services for households where mothers are absent in hospital or ill at home, or, through some emergency, are unable to cope with family needs. Expenditure covers grants to four State Governments, and, in the case of Queensland, directly to certain organisations operating housekeeper services. These grants commenced in 1949 with the intention of developing housekeeper services.

Exhibit
73/9 and
Q. 301

186. The allocation for New South Wales is paid to the State Treasury which distributes the money through an organisation acting under the auspices of the State Government. In Victoria, the allocation is made directly to the Treasury which distributes it through local government councils. In Western Australia and Tasmania, the allocation is made to the Treasury which distributes it through voluntary organisations. In Queensland, the Government declined to join the scheme, but representations were received by the Department of Social Services from certain voluntary organisations conducting housekeeper services for some direct assistance from the Commonwealth Government. The Department investigated these organizations to satisfy itself that they were conducting housekeeper services and the Department now pays the grant directly to the voluntary organisations. The Department examines the organisations' financial statements and activities at six monthly intervals to ensure that they are spending the money for the purposes for which it was given them. We were informed that the South Australian Government had made representations to join the scheme within the near future.

Q's. 301
and 309

187. It was said that although no certificate is received from the States' Auditors-General, the Department of Social Services receives a statement twice yearly signed or certified by the head of the spending instrumentality in each of the States concerned. Mr. Nott said that this provided the Department with a reasonable check that the money was being properly applied. The Audit observer, Mr. Fealy, informed us that in normal circumstances, if a grant is made by the Commonwealth, and there were no conditions attached to it, the Audit Office would not expect any follow up action to be taken by the State.

Q's. 367A
and 369.

188. The Treasury observer, Mr. Herring, stated that, on the general question of the Treasury's responsibility for ascertaining whether the States do in fact use the funds provided to them for the specific purpose for which the Commonwealth grants the funds, the Treasury has issued an Instruction which states :-

Q's. 368
and 369

"Grants to quasi-governmental and public organisations shall wherever possible, be made for a fixed period and for specific purposes. Authenticated statements of the year's activities shall be supplied, and if the grant is for a particular purpose, the organisation shall also certify that the purposes and conditions of the grant have been complied with. The annual financial statement of any State organisation shall be accompanied by an audit certificate from the State Auditor-General. For other statements, the certificate shall be that of a qualified public accountant..."

Q. 368

189. He said that if the grant is small, the certificate of some other authority would be acceptable. In many cases, the certification required would be determined on the terms and conditions under which the grant is made. The Treasury observer, Mr. Amos, added that the grants are paid in accordance with an exchange of correspondence between the Prime Minister and the Premiers of the States and that assurances had been received from the Premiers that the moneys will be spent in the manner desired by the Commonwealth.

Q's. 368
and 369 and
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Homes for Aged Persons - Grants to Eligible
Organisations under the Aged Persons Homes Act

190. This Act is designed to encourage and assist in the provision of suitable homes for aged persons. Erection of buildings to be used as a home, purchase of existing premises for conversion into a home, and, in both cases, the cost of the land may be included in the grant. The grant may not exceed two-thirds of the capital cost involved or twice the amount, (excluding moneys derived from borrowing or received from a Government or Government authority) raised by the organisation towards the capital cost, whichever is the less.

Exhibit
73/9

191. Mr. Wryell emphasized that the Department does not interfere in the design or the management of the homes. This practice had been adopted due to the different needs and tastes of people in the different areas of Australia. He said that in some cases, the homes approved under this legislation would be "Darby and Joan" cottage types. In other cases, the type of homes approved would be of an institutional nature where provision is made for a bed-sitting room for each person but communal dining facilities are provided by the establishment itself. Duplex type units are another example of

Q's. 314
and 315

the types of home for which grants have been made. The most important consideration in making grants is that the Act specifies that the conditions for the homes must as nearly as possible approach normal domestic life with due regard to the fact that husband and wife should not be separated.

Q's. 314
and 315

192. The Department attributed the substantial increase in expenditure from £2,153,551 in 1960-61 to £3,472,514 in 1961-62 to the large number of applications received for grants at a time when there was some reduction in the rate of private building. Organisations had been encouraged to apply for grants as there were said to be definite prospects of availability of labour and materials for construction projects.

Exhibit
73/9

193. Expenditure under this head has risen from £1,767,470 in 1958-59 to £3,472,514 in 1961-62 and to £3,999,725 in 1964-65.

Pensions to Officers on Retirement

194. The small number of pensions paid under this head of expenditure are for ex-officers (and their dependents) of certain Departments and Authorities (such as the Australian Aluminium Production Commission), who for various reasons, cannot be paid from Commonwealth Superannuation Funds or who can only be paid a limited amount from those Funds. The decision to make an ex gratia payment of a small pension in these cases is made by either the Treasury or the Superannuation Board. Expenditure under this head declined from £1,148, in 1952-53 to £567 between 1958-59 and 1960-61 but has since risen to £3,463 in 1964-65.

Exhibit
73/9

Supplementation of Pensions and Allowances to which the Transferred Officers' Allowance Act applies, or which are Payable under Section 71 of the Superannuation Act.

195. Pension increases granted to certain transferred officers under the Transferred Officers' Allowances and Superannuation Acts of 1951, 1954 and 1958 are continued from year to year under this head. Expenditure has fluctuated from £4,103 in 1958-59 to £22,927 in 1963-64 to £15,397 in 1964-65.

Exhibit
73/9

Telephone Rental Concessions to Pensioners and Others

196. This head provides for the cost of telephone rental concessions granted to pensioners and others. The concessions apply to blind persons, aged and invalid pensioners who live alone or with another person eligible for the concession or with another person whose income does not exceed £9.10. 0 per week.

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file
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197. The concessions are provided under the Regulations to the Post and Telegraph Act and are administered by the Postmaster-General's Department. The Social Services Department is required to certify as to an applicant's pension status. The Social Services Department also reimburses the Postmaster-General's Department for the value of the concessions allowed.

198. The grant of telephone rental concessions came into operation as from 1st October, 1964. The provision for financial year 1965-66 is estimated as £780,000. Actual expenditure in the year 1964-65 was £276,180.

Exchange on Remittances within the Commonwealth

199. This head provides for the reimbursement to the Reserve Bank of Australia for exchange paid on cheques issued by the Department. Inland exchange was abolished from 1st October, 1962. During the years 1952-53 to 1959-60, this expenditure was classified by the Treasury as "Other Services", but subsequently as "Administrative Expenses" under State Establishments.

Exhibit
73/9

Imperial Pensions Trust Account Adjustment

200. In 1962-63 provision was made for an adjustment to the balance of the Imperial Pensions Trust Account. For the previous twenty years, as indicated in Chapter 12, the Imperial Pensions Trust Account had been used by a number of Departments for the payment of pensions to residents of Australia on behalf of overseas administrations. This expenditure is non-recurring.

Exhibit
73/9

United Nations' Fellowship in Social Welfare

201. Provision for contributions towards the fares of recipients of United Nations awards for Social Welfare Scholarships is made under this head. We were informed that applicants for these scholarships are generally advanced students of social welfare and social research. The Commonwealth Government limits its nominations to one scholar per year but nominations are made only intermittently. In the case of Commonwealth officers, the Commonwealth pays the officer's return fare to the United States of America and on occasions, according to the terms of the award, to Britain as well. State Governments pay the fares of State public servants. If the nominee is neither a Commonwealth nor a State officer, the Commonwealth will agree to meet the

Exhibit
73/9 and
Q's. 317
and 318.

the cost of half of the return fare. The Department does not provide for this item in its estimates unless it is aware that an award has been made. Exhibit 73/9 and Q's. 317 and 318.

Pan-Pacific Rehabilitation Conference - Contribution

202. This head was required in 1958-59 to provide for a contribution by the Commonwealth towards the cost of the Pan-Pacific Conference on Rehabilitation held in Sydney in November, 1958. The Conference was convened by the International Society for the Welfare of Cripples. Exhibit 73/9

C. WAR AND REPATRIATION SERVICES EXPENDITURE

Compensation Payments to Former Employees of Civil Construction Corps and other Civilians for War Injuries

203. The payment of compensation and expenses to or in respect of members of the Civil Construction Corps for death or for incapacity lasting more than six months and sustained in the course of, and directly attributable to, their employment as members of the Corps during World War II is made under this head. Provision is also made for payments to or for other civilians who suffered injuries as a result of enemy action in World War II either as civilians or as members of approved civil defence organisations. Compensation in these cases is mainly in the form of regular payments and, in incapacity cases, continues for the duration of the incapacity. Exhibit 73/9

Discharged Members of Women's Services - Payments under Special Circumstances.

204. This head provides for payment of a weekly allowance to former members of the women's services discharged owing to pregnancy. The allowance is Exhibit 73/9

payable subject to a means test and may reach a rate equivalent to the rates of sickness benefit under the Social Services Act. Payment may be made for a period of three months prior to and three months after the birth. There is provision for longer periods of payment in special circumstances.

Exhibit
73/9

Evacuees - Reception, Sustenance and Aftercare

205. This head was used to provide for the reception, sustenance and aftercare, and payment of return fares, in connection therewith, of persons compulsorily evacuated from Northern Australia and the External Territories during World War II. We were informed that there has been no expenditure under this head for a number of years and no future expenditure is expected.

Exhibit
73/9 and
Q. 319

D. CAPITAL WORKS AND SERVICES

Commonwealth Rehabilitation Service - Plant and Equipment

206. The Department purchases special plant and equipment (medical, physiotherapy, occupational therapy, etc.) of a capital nature, where the cost of the item exceeds £200, for its rehabilitation centres under this head. Any purchases of special plant and equipment for less than £200 are made from the National Welfare Fund under Section 136 of the Social Services Act.

Exhibit
73/9 and
Q's. 388
and 389.

CHAPTER 14 - ADMINISTRATIVE EXPENDITURE OF THE
DEPARTMENT

207. Details of expenditure on the administration of the Department for the financial years 1952-53 to 1964-65 inclusive, are set out in Appendix No. 13. In addition, the administrative costs of the State Administrations in the financial year 1962-63 are set out as Appendix No. 14. Your Committee's examination of expenditure under this heading has not extended beyond the financial year 1962-63, this being the latest available data as at 3rd June, 1964, when this phase of our inquiry was undertaken. Details of expenditure for 1963-64 and 1964-65 have been included for comparative purposes only.

A. CENTRAL ADMINISTRATION EXPENDITURE

208. The expenditure on administration in the Central Administration has risen from £121,812 in 1952-53 to £241,922 in 1962-63 and £331,125 in 1964-65. Exhibit
73/9

Salaries and Allowances

209. Under this division, provision is made for extra duty payments in addition to payment of salaries and allowances to permanent officers and temporary and casual employees on both the Ministerial staff and the Department's establishment. Expenditure under this division has grown from £93,169 in 1952-53 to £200,603 in 1962-63 and to £254,066 in 1964-65. Exhibit
73/9

Central Administration - Administrative Expenditure

210. Expenditure under this Division has increased from £28,643 in 1952-53 to £34,056 in 1962-63 and to £76,259 in 1964-65. Descriptions of the heads of expenditure under this division are set out below.

(i) Travelling and Subsistence

211. Under this head, provision is made for the payment of travelling allowances, meal allowances, fares, hire and running of vehicles and expenses incidental to travelling for the staff of the Minister and of the Central Administration of the Department. This expenditure has risen from £6,838 in 1952-53 to £16,709 in 1962-63 and £28,755 in 1964-65. Exhibit 73/9

(ii) Postage, Telegrams and Telephone Services

212. This head provides for the expenses relating to these services for the Minister's office and for the Central Administration of the Department. In 1952-53, expenditure under this head was £7,727. By 1962-63 it had risen to £10,836 and in 1964-65 reached a total of £17,957. Exhibit 73/9

(iii) Publicity

213. The costs of printing and distributing leaflets, booklets and booklet supplements on the various social services administered by the Department is provided for under this head. Expenditure in respect of the Commonwealth Rehabilitation Services is designed to publicise the rehabilitation scheme to assist in the employment of handicapped persons. Exhibit 73/9
Films, window displays, exhibits at industrial fairs and luncheons connected with special campaigns are used to publicize this Service.

214. The higher expenditure in 1952-53 (£9,671) 1960-61, (£12,158) and 1964-65 (£13,204) in comparison with other years, (for instance, 1962-63, £5,415) was due mainly to the reprinting of the Commonwealth Social Services Handbook by the Department. Exhibit 73/9 and Q's. 346 and 350.

This Handbook is distributed widely throughout the Commonwealth, about 300,000 copies being printed. The Handbook is reprinted entirely every four or five years but changes in rates of benefits are dealt with by reprinting leaflets for insertion into future issues of the Handbook.

Exhibit 73/9
and Q's. 346
and 350.

215. Mr. Murphy said that the Department orders only a sufficient number of leaflets for the forthcoming year and that orders are not placed until the Department is made aware of impending legislative changes associated with the Budget. If, for instance, the Department learns that pensions' legislation will be altered by the Budget, the order for pensions' leaflets is withheld until the terms of the legislation are known. However, if, it is known that the rates of child endowment will not be affected by the Budget, the order for those leaflets is placed with the printer, as the Central Office maintains figures of the general annual usage of leaflets in years in which no amendments are made to the legislation. When the details of the amendments to the pensions' legislation are available, the Department revises these leaflets accordingly and places orders for them. We were assured that the Department endeavours to keep abreast of legislative changes by having the leaflets distributed as soon as possible after they occur.

Q. 347

(iv) Incidental and Other Expenditure

216. This head provides for all other administrative general expenses of the Central Administration, such as office requisites, stationery and printing; office machines and maintenance; removal of officers' furniture; books for the departmental library; repairs and maintenance and minor new works up to a value of £25; advertising; freight; laundering and miscellaneous stores. The

Exhibit
73/9

item of the International Social Security Association and £250 as a donation towards the cost of the International Conference of Social Work. Expenditure under this head has fluctuated from £4,407 in 1952-53 to £8,316 in 1958-59, to £7,247 in 1960-61 and in 1964-65 had risen to £16,343.

Exhibit
73/9

B. STATE ESTABLISHMENTS' EXPENDITURE

217. The expenditure under this heading covers the 6 State Headquarters and 23 Regional Offices. Such expenditure rose from £2,100,000 in 1952-53 to £4,360,000 in 1962-63 to £4,780,000 in 1964-65.

State Establishments - Salaries and Allowances

218. This division includes payments for salaries and allowances for permanent officers and temporary and casual employees, together with extra duty payments. Such expenditure has increased from £1,472,517 in 1952-53 to £2,783,259 in 1962-63 and to £3,146,012 in 1964-65.

219. Mr. Murphy explained that the unusually high amount of £112,000 for extra duty payments in 1961-62 under this head was a result of the introduction of the merged means test in that year. The merged means test commenced in March, 1961 but the bulk of the claims were processed during the financial year 1961-62. A complete review of most current pensions was necessary. Q. 352

220. In 1962-63, the New South Wales Administration's expenditure on overtime was £45,626 in comparison with the total State Administration's expenditure of £80,552 under this head. It was said that the New South Wales Administration has had a greater staff turnover than other State Administrations for a number of years, for example, in 1962-63, 89 officers ceased duty with less than 12 months

Exhibit
73/16

experience as compared with 47 in Victoria. Absenteeism in the New South Wales Administration was said to be higher on the average than in other States. To permit continuity of work and to avoid inconveniencing pensioners, it had been necessary to use overtime where the need was demonstrated. Exhibit
73/16

State Establishments - Administrative Expenditure

221. Expenditure under this division has grown from £680,065 to £1,579,122 and to £1,634,434 in 1964-65. Descriptions of individual heads of expenditure are set out hereunder.

(i) Travelling and Sustenance

222. Expenditure on travelling was said to be relatively high in New South Wales and Queensland Administrations in comparison with the other State Administrations. This was said to be attributed in the main to the greater distances of travel between State Headquarters and Regional Offices in those States as compared with other States. In addition the Inquiry Officers based at Regional Offices in New South Wales and Queensland were said to have far greater distances to travel in their normal investigating duties than Inquiry Officers in other State Administrations. This head of expenditure has grown from £45,506 in 1952-53 to £97,410 in 1962-63 and to £105,413 in 1964-65. Exhibits
73/9 and
73/16

(ii) Office Requisites and Equipment, Stationery and Printing

223. Under this head, provision is made for the cost, including freight from the supplier to departmental store, of machines (adding, accounting, typewriting, punched card, etc.), office requisites, printing and stationery (benefit forms, cashable order forms, cheque forms, ledgers, registers, Exhibit
73/9

cash books, envelopes, etc.) and numerous other items of general stores. The head also provides for the hiring charges for the punched card machines used by the Department. Expenditure under this head has fluctuated from £121,075 in 1952-53 to £34,512 in 1963-64 and down to £292,145 in 1964-65. Exhibit 73/9

224. The major reason for the large upward variations in expenditure for some years was said to have been the extra cost to be met for hiring charges for punched card machine equipment then being installed in the State Offices. Exhibit 73/9

Postage, Telegrams and Telephone Services

225. Expenditure under this head was said to rise steadily in each year because a much greater percentage of applicants for pensions selects the cheque system as the method by which they prefer to receive their fortnightly instalments. There has been a steady increase in expenditure under this head from £200,055 in 1952-53 to £599,269 in 1962-63 to £648,745 in 1964-65. Exhibit 73/9

Office Services

226. Expenditure on office services involves the costs in the Department's capital city and Regional Offices of fuel, light, power, office cleaning and laundry and for repairs and maintenance and minor new works up to a limit of £25 in each case. This expenditure varies widely as between the various State Administrations because of the different procedures of the Department of Interior in regard to whether the Department occupying a building or the Department of the Interior pays the cost of fuel, light, power and office cleaning costs. Exhibit 73/16

The Department of the Interior pays for these costs in buildings in capital cities (whether Commonwealth owned or leased) where more than one Commonwealth Department occupies the building. The Department of Interior also pays office cleaning costs for the principal Commonwealth offices occupied by more than one Department in the capital cities (except in State Headquarters in Sydney where cleaning is performed by Departmental staff, and hence, is a salary cost). Where the Department of Social Services is the only Commonwealth Department occupying a building in a capital city it pays the fuel, light, power and cleaning costs. It also pays fuel, light, power and cleaning for buildings in any country areas except where Commonwealth buildings are occupied by more than one Department. Exhibit 73/16

227. The main reason for the increases in expenditure under this head has been the decentralisation of child endowment payments and pensions. Other factors were said to be the ordinary rise in the costs of these services and increases in the floor space occupied in the capital cities. Exhibit 73/9 and Q. 381
Expenditure in 1964-65 was £41,037 having risen from £7,915 in 1952-53 and £27,775 in 1962-63.

Services - Magistrates and Police

228. Under a Prime Minister/Premier agreement in the early 1900's, the States agreed to assist in the administration of social services by providing the facilities of such officers as Clerks of Petty Sessions to act as Registrars of Social Services, mainly in the country areas. Over the years the arrangements have varied slightly but the main difference between States is that some charge the full or partial cost of the service whereas others make no charge. Payments of 3/- per Exhibits 73/9 and 73/16 and Q. 360.

investigation to magistrates and 8/- per investigation to police officers and Registrars of Social Services are made under this head. In respect of Queensland, the charge also includes services in respect of the unemployment and sickness benefits scheme. In 1963-64, the Department of Social Services was utilizing the following numbers of State Government officers as Registrars of Social Services; New South Wales, 180 officers; Victoria, 24 officers; Queensland, 246 officers; South Australia, 138 officers and Tasmania 20 officers. No Western Australian State Government Officers were so employed. Expenditure under this head has increased to £47,414 in 1964-65 from levels of £12,378 in 1952-53 and £27,775 in 1962-63.

Exhibits
73/9 and
73/16 and
Q. 360

Services - Registrars of Births and Deaths

229. The Department has entered into agreements with individual States to provide essential information regarding births and deaths of claimants and beneficiaries. This head of expenditure also provides for the cost of searches for proof of age, marriage and other purposes in the records of the offices of the various State Registrars-General. The rates of charge vary as between the States but in all instances, the charges were said to be below those charged to the general public. The charges vary primarily because of the difference methods by which the information is supplied. In some States, the information is supplied by the Offices of the Registrars-General. In other States, the records are made available to the Department's Officers and they perform the work of obtaining the required information. The charges are also based on the purposes for which the information is required; for instance, in Queensland, the information on marriages, and the charges for obtaining it, are shared between the Commonwealth

Exhibits
73/9 and
73/16 and
Q's. 360,
1067 and
1068.

Electoral Office and the Department. In recent years, expenditure under this head has fluctuated from £6,474 in 1958-59 down to £5,349 in 1959-60 and up to £6,844 in 1964-65.

Exhibits
73/9 and
73/16 and
Q's. 360,
1067 and
1068.

Medical Examinations

230. The costs of examinations by private Commonwealth Medical Referees and specialists of invalid pensioners and claimants for invalid pensions and, under some circumstances, sickness beneficiaries and claimants for sickness benefits are provided for under this head. This head is more fully examined in Chapter 16.

Exhibit
73/9

Commission on Benefit Payments Made by Post Offices and Banks

231. Commission paid to the Postmaster-General's Department for the cash payment of age, invalid and widows' pensions and child endowment paid at bank branches is made under this head. The substantial increase in expenditure under this head in 1962-63 (from £295,132 in 1961-62 to £449,310) was the result of an increase which was operative from 1st July, 1962 in the commission charge made by the Postmaster-General's Department against the Department of Social Services for child endowment cash payments made at post offices.

Exhibit
73/9

Exchange on Remittances within the Commonwealth

232. This head provided for the reimbursement to the Reserve Bank of Australia for exchange paid on cheques issued by the Department. During the financial years 1952-53 to 1959-60 inclusive, this expenditure was classified by the Treasury as "Other Services" but, subsequently, as Administrative Expenses under State Establishments.

Exhibits
73/9 and
73/16

This head, as shown in Appendix No. 14 only appeared (for administrative convenience) in the Department's details of expenditure as a charge to the Victorian Administration, although the adjustments were performed in the Central Office. This charge has been abolished since 1st October, 1962, following upon the decision of the banking system to discontinue inland exchange on cheques.

Exhibits
73/9 and
73/16

Incidental and Other Expenditure

233. All other administrative general expenses for the various State Headquarters and Regional Offices are made under this head. Such expenditure includes freight and cartage (excluding that from supplier to departmental store for goods purchased under "Office Requisites and Equipment, Stationery and Printing"), maintenance of office machines, repairs and maintenance of cars, pay roll delivery service, court charges and legal expenses, removal and storage of officers' furniture, advertisements, purchase and repair of protective clothing, reimbursement to banks for cheques lost in transit between branches, newspapers and publications, survey costs, Commonwealth Employees Compensation Act, reimbursement of university fees paid by Cadet Social Workers and other expenditure of a miscellaneous nature.

Exhibit
73/9

234. The maintenance and repairs of motor cars on permanent hire from the Department of Supply involved an expenditure of £5,449 in 1962-63. These vehicles are used by Inquiry Officers attached to Regional Offices and by Social Workers and are hired as the need arises. Approvals for hire of additional vehicles are made in the Central Office. The motor-cars are hired without a driver and while the motor-car is on permanent hire, the

Q's. 383,
395 and 397

Department is responsible for repairs and maintenance. We were informed that the motor-cars in Metropolitan offices are returned to the Department of Supply's pool each night and under no circumstances are they allowed to be taken from the area. The motor-cars are maintained while in the pool and the Department of Social Services reimburses the Department of Supply for the costs of the maintenance. We were informed that motor-cars attached to Regional Offices in Victoria, (with the concurrence of the Department of Supply) are garaged in, and minor repairs and servicing performed by, local private garages. In the cases of repairs of a major nature, the Department of Supply is consulted to determine whether the repairs should be performed locally or in the Department of Supply's depot in Melbourne. Motor-cars attached to Regional Offices are hired at a fixed weekly rate which does not include charges for petrol, garaging or maintenance. Petrol is normally obtained from oil company depots on contracts.

Committee
file
1964/1/73
and Q's.
383, 395
and 397

Cafeteria Trust Account - Working Advance

235. This provision was in respect of a staff cafeteria established in 1959-60 in the Sydney Office of the Department.

Exhibit
73/9

C. GENERAL COMMENTS ON EXPENDITURE

236. The Department indicated that the disproportionate increases in expenditure on Salaries and Allowances and Administrative Expenses in the Central Office as compared to the increases in the expenditure on these two items in the State Establishments was due to the nature of the Department. Mr. Nott said that a small increase

Q's. 379
and 380

in staff in the Central Office can make a large percentage difference to that Office's expenditure. As an example of this, he cited the case of the establishment of a feasibility team of 12 officers to study the practicability of applying automatic data processing to the Department's operations. The salaries of these 12 senior officers would total between £30,000 and £40,000. On the other hand, increases in the expenditure of State Establishments are governed by the steady appreciation in the work volume in benefits work.

Q's. 379
and 380

237. Expenditure on administration by the Department is not completely reflected in Appendices No.'s 13 and 14 as a number of other Departments perform services on behalf of the Department without recovering the costs involved from the Department of Social Services; likewise, the Department of Social Services performs a number of services on behalf of other Departments without recovering the costs involved. And again, some Departments do charge the Department of Social Services for services which they perform on its behalf. The inter-departmental arrangements for the payment of social service benefits are described in Chapter 15.

CHAPTER 15 - INTER-DEPARTMENTAL ARRANGEMENTS FOR
THE PAYMENT OF SOCIAL SERVICE BENEFITS

238. We were informed that details of expenditure on social service benefits administered by other Departments were not recorded in the Central Office of the Department of Social Services before 1961-62, as the State Offices of the Department of Social Services are paying agents for the Departments which control the heads of expenditure. The Director-General directed that, beginning from 1961-62, the total expenditure of the Department for all purposes, should be shown in the Department's Annual Report. Exhibit 73/9 and Q's. 266 to 268

239. The Treasury observer, Mr. Herring commented that the absence of any co-ordinated record of payments made on behalf of other Departments in the Central Office of the Department of Social Services did not mean that the accounting procedures for these payments are not performed satisfactorily. The Departments provide the necessary funds, in the forms of trust funds, credits and warrant authorities directly to the State Offices concerned, so that each State Office of the Department of Social Services has, in effect, a budget against which it makes these payments. The State Office is then accountable to the particular Department for which it makes the payments. He felt it was desirable that the Central Office of the Department of Social Services should know the total of such payments but that, as part of the authorizing and paying processes, it was not essential, as satisfactory control can be achieved by the other Departments dealing with the State Offices. Q. 269

A. WORK PERFORMED BY THE DEPARTMENT OF SOCIAL SERVICES FOR OTHER DEPARTMENTS

Prime Minister's Department

240. On the basis of authorities furnished by the Prime Minister's Department, the Department of Social Services makes periodical payments by cheques of allowances to ex-members of Parliament and others and their dependants; Commonwealth Literary Fund payments; and Act of Grace payments in special circumstances, to the persons concerned. Exhibit 73/9

241. The Department visits, reports on, and sometimes performs casework with persons who have made representations, or on whose behalf representations have been made, for some special type of social aid. Representations may be made to the Department, through the Prime Minister's Department, by persons located overseas, in regard to the social position of a person resident in Australia. As the Department of Social Services has facilities for performing social work, the Prime Minister's Department may make a request for an examination of the situation of the person concerned. Mr. Calvert described "special type of social aid" as a social aid not ordinarily administered by a Commonwealth Department. Services of this type occur very infrequently. The Department of Social Services does not recover the administrative costs for either of these services.

Exhibit
73/9 and
4's. 1377
to 1379.

Department of the Treasury

242. On the basis of authorities forwarded by the Treasury, the Department of Social Services makes periodical payments by cheque of Commonwealth Superannuation pensions, Defence Forces Retirement benefits, Transferred Officers' pensions and allowances, pensions and retiring allowances (Section 84 of the Constitution), special pensions to certain officers on retirement, and supplementation of pensions and allowances in certain cases related to the Transferred Officers' allowances Act and Section 71 of the Superannuation Act.

Exhibit
73/22

243. On behalf of the Taxation Branch of the Treasury, the Department of Social Services receives applications from disabled persons for exemption from Sales Tax on the purchase of motor vehicles and replacement parts and determines

Exhibit
73/22

medical eligibility. The Department of Social Services does not recover any of the administrative costs involved in providing these services for the Department of the Treasury. Exhibit
73/22

Department of Housing

244. In respect of War Service Homes Division activities, the Department of Social Services' Regional Offices supply information to intending applicants for assistance, issue and accept application forms for assistance and make local enquiries when requested. The administrative costs involved in performing these services are not recovered by the Department of Social Services. Exhibit
73/22

Department of Health

245. The Department of Social Services receives, examines and determines the means test of claims for tuberculosis benefits and makes periodical payments by cheque to the persons concerned. The Department is also responsible for reviewing the claims made for assistance under this scheme, and assesses entitlement for Pensioner Medical Service benefits and issues entitlement cards to the pensioners concerned. The administrative costs involved in performing these services are not recovered by the Department of Social Services. Exhibit
73/22

Repatriation Department

246. In the States of Queensland, South Australia, Western Australia and Tasmania, the Department of Social Services prints with its punched card machine equipment, the fortnightly cheques and cash sheets for payments to recipients of war and service pensions. The Exhibit
73/22

Department also prints the bank credit deposit clips at twelve-weekly intervals for pensions paid by that method. Paid cheques are returned by the banks to the Department of Social Services for check, (against the banks' schedules), sorting, re-listing in numerical order and transmission, with the lists, to the Repatriation Department for reconciliation purposes. The administrative costs involved in performing these services are not recovered by the Department of Social Services.

Exhibit
73/22

B. WORK PERFORMED BY OTHER DEPARTMENTS FOR THE
DEPARTMENT OF SOCIAL SERVICES

Postmaster-General's Department

247. The Postmaster-General's Department makes periodical payments of age, invalid and widows' pensions, wives' and children's allowances and child endowment in cash at post offices. The payment work relates to a cashable order system whereby recipients present books of orders at post offices on due dates of payment and receive cash in exchange for orders due. Postmasters claim reimbursement of amounts paid through the money order office which, in turn, claims reimbursement from the Department of Social Services. This work at post offices also involves associated work related to order books payments - issue of renewal books, stoppage of payments, variations in rates, transfer of books to new offices of payment, etc. Commission at rates of 7/- per £100 of benefits paid for pensions and 20/- per £100 of benefits paid for child endowment is charged by the Postmaster-General's Department for performing this work. The difference in these two charges was attributed to the respective values of the payments for the two types of benefits. An

Exhibit
73/22 and
C. 1335

examination of these rates made by the Postmaster-General's Department indicated that the cost of making each type of payment was approximately the same but that, whereas the average pension payment is approximately £10, the average child endowment payment is approximately £3. 10. 0. For these reasons, the Post Office is required to make three times as many child endowment payments for every £100 paid.

Exhibit
73/22 and
Q. 1335

248. On occasions, for special reasons, the Postmaster-General's Department distributes stocks of printed matter to Postmasters for distribution to the public. Such printed matter includes instructions concerning changes in benefit payment arrangements following changes in legislation. The costs involved in such distribution are recovered by the Postmaster-General's Department.

Exhibit
73/22 and
Q. 1335

Department of Labour and National Service

249. At its Regional Offices located at Broken Hill in New South Wales and Albany, Bunbury, Geraldton, Kalgoorlie and Northam in Western Australia, District Employment Officers receive, determine, and review claims for unemployment and sickness benefits and make periodical payments of these benefits by cheque issued on local bank accounts established for the purpose. At its Regional Office at Darwin, Northern Territory, the District Employment Officer receives, determines and reviews claims for unemployment and sickness benefits and prepares the necessary payment authorities for the Sub-Treasury, Darwin, which makes the payments by cheque. Through its agents in all States except Queensland, the Department of Labour and National Service issues forms, handles enquiries, applies work

Exhibit
73/22

tests, etc. in relation to the Unemployment and Sickness Benefits Scheme. In Queensland State public servants attend to most of these details. The Department of Labour and National Service also conducts vocational guidance tests for persons undergoing rehabilitation. The Department of Labour and National Service does not recover any of the administrative costs involved in performing these services for the Department of Social Services.

Exhibit
73/22

The Departments of External Affairs, Immigration and Trade

250. The overseas posts of these three Departments provisionally determine and/or pay social services (child endowment and maternity allowances) to beneficiaries temporarily overseas when the beneficiary desires payment at his overseas address. The overseas posts subsequently claim reimbursement of this social service benefit expenditure from their Central Offices which, in turn, claim reimbursement from the Department of Social Services, except for transactions in New York, Toronto, New Delhi and Karachi. In these cities, a system of journal entries is used. The Department of External Affairs is the normal paying authority. Where that Department is not represented, the Department of Trade, or, in the absence of representation by that Department, the Department of Immigration, deals with the matter. For special benefits the Department of Immigration pays pocket money allowances to individual migrants at migrant centres where the migrants are in receipt of special benefit. The total amount to be paid is provided to the Department of Immigration by the Department of Social Services. No charges are imposed by any of these Departments for performing these services.

Exhibit
73/22

Department of Treasury

251. The Sub-Treasury, Darwin, Northern Territory, makes the payments of unemployment and sickness benefits which are determined by the District Employment Officer of the Department of Labour and National Service, Darwin, whilst the Taxation Branch of the Treasury supplies valuations of property for pension purposes and furnishes certificates in relation to residence in Australia of social service beneficiaries proceeding overseas temporarily. The Department of the Treasury does not recover any of the administrative costs involved in performing these services for the Department of Social Services.

Exhibit
73/22

Department of Health

252. Commonwealth Medical Referees of the Department of Health carry out medical examinations, furnish medical reports, etc. for applicants for invalid pensions or medical reviews of invalid pensioners. No charge is made by the Department of Health for performing this service.

Exhibit
73/22

253. The Acoustic Laboratory conducts tests of and supplies (on loan) and maintains hearing aids for persons undergoing rehabilitation. A fee of £15 is recovered by the Department of Health for each hearing aid lent under this service.

Exhibit
73/22

Prime Minister's Department

254. For social services (child endowment and maternity allowances payable to Australians temporarily abroad and in Britain and for payments (age, invalid and widows' pensions and funeral benefits) to or in respect of Australians temporarily in Britain and in receipt of benefit under

Exhibit
73/22

the Australia/Britain Reciprocity Scheme, the Registrar of Social Services, Australia House, London, and the Chief Accounting Officer at Australia House handle work in connection with claims for benefit, determinations, payments, etc. The benefits expenditure is debited to the appropriate heads of expenditure by the Chief Accounting Officer, and brought into the Department of Social Services' ledger each month by journal entry.

Exhibit
73/22

Repatriation Department

255. This Department supplies, repairs and maintains artificial limbs for persons undergoing rehabilitation. The cost of the limbs or the repairs is recovered by the Repatriation Department. We were assured that if the Repatriation Department was unable to supply an aid or limb for a rehabilitee, the Rehabilitation Service would seek to satisfy that person's need from other available sources.

Exhibit
73/22 and
C. 1387

256. The Treasury observer, Mr. Cowie, informed us, that, under stimulus from Your Committee's Fifty-fifth Report, many inter-departmental payments have been abolished. It was specifically mentioned in the Fifty-Fifth Report that the Postmaster-General's Department should impose charges for services it performs for other Departments as it is required to prepare Commercial Accounts.

C's. 1392
and 1393
and P 20,
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CHAPTER 16 - PREPARATION OF THE ESTIMATES

257. The nature of the Department's Receipts and the purposes of its Expenditure are set out in Chapters 12 to 14 inclusive of this Report. The present chapter relates to the methods adopted by the Department in estimating its receipts and expenditure. The estimates of receipts and expenditure are prepared initially in March/April of each year for submission to the Department of the Treasury by 30th April.

A. ESTIMATES OF REVENUEDepartment of Social Services - Miscellaneous

258. Moneys are dissected under sub-heads when received at the State offices of the Department and the figures concerned are submitted monthly to the Central Office. Estimates are prepared in each State by perusal of past and present figures, taking into consideration continuing receipts and "one time" payments. Estimates for all States are examined in the Central Office of the Department. Details of the Department's estimated and actual revenue each year for 1963-64 and 1964-65 is set out in Table No. 3. Exhibit 73/17

TABLE NO. 3.

REVENUE OF THE DEPARTMENT OF SOCIAL SERVICES
ESTIMATED AND ACTUAL REVENUE, 1963-64 TO 1964-65

Year	Estimated Revenue	Actual Revenue
	£	£
1963-64	62,000	64,513
1964-65	64,000	96,128

Estimates of Receipts and Summary of Estimated Expenditure.

B. ESTIMATES OF EXPENDITURE

259. The principal factors considered in the preparation of these estimates are :-

- (i) Expenditure provision is made only for functions endorsed previously by the Government or, on a new service, where the liability has been approved by the Treasurer.
- (ii) Provision must be made with regard to the strictest economy and continuing expenditure is intensively examined. The Department's Central Office receives the returns of expenditure from the State Offices and dissects the items. A continuous

Exhibit 73/17
and Q's. 1091
and 1092

examination of the trends of expenditure is performed to determine its course and to prepare for the preparation and revision of estimates. Estimates for supplies and services are based on current costs. Provision may not be made as a contingency for unforeseen expenditure or for possible increases in costs. Mr. McArthur informed us that the Department is directed by the Treasury to prepare its estimates on the basis of known costs.

Exhibit 73/17
and Q's. 1091
and 1092

- (iii) Explanations are required for any marked variation occurring between a draft estimate and the estimated expenditure of the current year.
- (iv) Where, after presentation of the Budget to Parliament, increased expenditure arising from legislation must be provided for, e.g., as a result of an increase in pension rates, an alteration is made to the Department's draft estimate figure by the Treasury before the Estimates are printed.

260. The Treasury's observer, Mr. Cowie said that it is the general rule that known cost should be used in estimating, and that it is probably the only rule which could be adopted for general departmental usage. He said that in preparing the Estimates, it is necessary for Departments to be very circumspect when they are trying to predict developments in their future needs. However, the Treasury in its considerations of the Estimates, endeavours to make allowance for future developments, such as basic wage increases. He added that under the policy of accuracy in estimating, if a Department is not sure of its needs for a particular item when formulating its original Estimates, that item should be deferred until the formulation of the Additional Estimates, at which stage, an accurate figure should have been determined.

Q's. 1116
and 1117

261. We were informed that, wherever possible, the Estimates are prepared initially in the Department's State offices. The figures prepared are then closely examined and consolidated in the Department's Central Administration. The salaries of State establishments, most of the administrative expenses and some of the miscellaneous pensions and allowances are included in this category. The Central Office compares

Exhibit 73/17
and Q's. 1094
and 1095

the information supplied by the State Offices, year by year and State by State to examine the trends reflected and to recheck calculations. If necessary, a State Office estimate would be amended by the Central Office after consultations with the State Office concerned. In respect of the remaining items, notably pensions and other benefits payable from the National Welfare Fund, estimates are prepared wholly in the Central Office due to the necessity to refer to certain essential data, e.g. statistics compiled in the Central Office of the Department or obtained from other sources, such as the Bureau of Census and Statistics.

Exhibit 73/17
and Q's. 1094
1095

262. Draft estimates are subsequently revised (after the May expenditure figures become available) and are discussed early in June, with officers of the Treasury. A final revision is made early in July after expenditure for the previous financial year has been determined.

Exhibit 73/17
and Q. 1097

263. The initial responsibility for the preparation of the estimates at the Central Office, under the various Departmental appropriations, rests with the following officers :-

Director (Administration)	Salary votes
Director (Rehabilitation)	National Welfare Fund Commonwealth Rehabilitation Service. Commonwealth Rehabilitation Service - Plant and Equipment
Director (Aged Persons Homes)	Homes for aged persons - grants to eligible organizations under the Aged Persons Homes Act. Accommodation for disabled persons - Grants to eligible organizations.
Director (Finance)	All other votes.

Exhibit 73/17
and Q. 1093

264. The draft estimates are consolidated by the Director (Finance), approved by the Director-General and forwarded to the Minister for Social Services for his concurrence.

265. The basic data available at Central Office for estimates purposes includes -

- Monthly returns of receipts and expenditure from all States.
- Monthly expenditure returns for selected items classified under sub-heads.
- Card records, showing the details above, recorded in the previous years.
- Statistics relating to items of the National Welfare Fund.

Exhibit 73/17
and Q. 1103

266. The estimates of the Department's expenditure on individual heads are considered under the following general sub-headings :-

- (a) Items of the National Welfare Fund
- (b) Other Services
- (c) (included with other Services as from 1964-65)
- (d) Capital Works and Services
- (e) Administration Expenditure of the Department
- (f) Other Administration Expenses - State Establishments.

(a) NATIONAL WELFARE FUND

Funeral Benefits and Maternity Allowances

267. Estimates are assessed by the following formula -

Estimated number of grants for average cost per grant.
the next financial year x

Statistics of estimates of grants for a financial year and average cost per grant (for funeral benefits) are supplied to the Director (Finance) by the Director (Research). The cost of maternity allowance grants is assessed in the Finance Branch as this grant involves simple calculation of dividing the number of grants into the amount paid in the latest known period.

Exhibit
73/17

Age and Invalid Pensions

268. An estimate based on liability cost is assessed as follows -

Estimated number of age and invalid pensions current at 30th June next	X	average fortnightly rate of pension	X	number of pay days in the financial year involved.
--	---	--	---	---

To this figure is added the estimated cost of wives' and children's allowances at the following 30th June plus the estimated cost for the increase during the next financial year in the number of pensions and allowances in operation. An adjustment is made for a proportion of the cost of pensions under suspension -- these are in the numbers of current pensions but some will not be restored to payment. An estimate based on actual cash outgoings is also prepared, i.e. total current cheque and cashable order payments, adjusted for the forthcoming financial year. This is reconciled as far as possible with the liability estimate as an overall check. Statistics of numbers of pensions, wives' and children's allowances and average rate per grant are supplied to the Director (Finance) by the Director (Research)

Exhibit
73/17

Widows' Pensions

269. The estimate is prepared in the same way as that for age and invalid pensions. Children's allowances are payable for Class A widows' pensions but for estimate purposes, the average cost used includes those allowances. (Allowances for children of widows are not paid separately).

Exhibit
73/17

Child Endowment

270. An estimate based on liability cost is assessed as follows :

Cost of endowments in the various pay period groups referred to above, using the basis of liability at March	X	Number of payments in the financial year according to the method of payment.
--	---	--

To this figure is added provision for an increase in the number of children endowed between March and June, increased numbers in the forthcoming year and an adjustment for an increase or decrease in the average cost per child endowment claim according to the latest information available. An estimate of cash outgoings is also prepared to compare with the liability cost as a check of the overall accuracy of the draft estimate. Statistics of annual liability, numbers of current endowment

Exhibit
73/17

claims and endowed children and average costs for claims are supplied to the Director (Finance) by the Director (Research).

Unemployment, Sickness and Special Benefits

271. Estimates for these components are based on the cost and trends in the numbers of recipients of benefits at the time of preparation of Estimates. It was said that the numbers of persons who might draw unemployment benefit can alter considerably but it is not practicable to predict unemployment levels; estimates are therefore prepared using current numbers and costs, varied only to a moderate degree according to recent trends and economic factors. Numbers receiving sickness and special benefits are reasonably steady so that an accurate estimate of cost can be prepared by allowing for minor alterations in numbers receiving benefits.

Exhibit
73/17

Commonwealth Rehabilitation Service

272. In addition to the records of past and current expenditure, account is taken of the numbers of persons awaiting treatment or training, numbers of persons undergoing treatment in, or at, rehabilitation centres and numbers of persons undergoing training. Directors of State Administrations are required to submit detailed estimates of requirements under 47 sub-heads of Rehabilitation Service expenditure and this information is examined and consolidated for the total Commonwealth estimate. An examination is carried out on a functional basis to ascertain whether or not there is any significant variation in the amounts required for treatment and training. Any variations are examined in relation to numbers undergoing rehabilitation and consideration is given to the effect of any changes in policy, (particularly in relation to new proposals), at the stage of initial preparation of the Estimates. If the changes were not known by a State Office at that time, but were known in the Central Office, they would be taken into account in the Central Office at that stage.

Exhibit
73/17

273. Details of estimated and actual expenditure for social services benefits administered by the Department of Social Services and paid from the National Welfare Fund from 1962-63 to 1964-65 are shown below in Table No. 4.

TABLE NO. 4.

SOCIAL SERVICES ADMINISTERED BY THE DEPARTMENT OF SOCIAL SERVICES
AND PAID FROM THE NATIONAL WELFARE FUND

Estimated (a) and Actual Expenditure

£

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and Committee
File 1964/1/73

Social Service	1962-63		1963-64		1964-65	
	Estimated Expenditure	Actual Expenditure	Estimated Expenditure	Actual Expenditure	Estimated Expenditure	Actual Expenditure
Funeral Benefits						
Age & Invalid Pensions	396,000	401,034	428,000	405,799	415,000	433,082
Age & Invalid Pensions	192,000,000	187,753,563	201,053,000	199,940,178	214,670,000	213,298,645
Widows Pensions	16,400,000	15,676,704	20,582,000	20,784,316	22,930,000	23,521,956
Maternity Allowances	3,935,000	3,781,380	3,840,000	3,728,660	3,728,000	3,646,784
Child Endowment	68,300,000	67,710,463	76,600,000	84,379,174	85,700,000	86,414,833
Unemployment, Sickness and Special Benefits	13,000,000	14,657,454	11,000,000	10,812,489	8,700,000	7,269,871
Commonwealth Rehabilitation Service	740,000	697,737	723,000	744,579	793,000	801,890
Total National Welfare Fund	294,771,000	290,678,335	314,226,000	320,795,195	336,936,000	335,387,061

(a) Budget Estimates.

(b) OTHER SERVICES

Compassionate allowances and other payments under special circumstances

274. The rates of compassionate allowances are identical with the rates of the appropriate benefits under the Social Services Act. Estimates based on cash outgoings are submitted to the Central Office of the Department by the Directors in the States. These are checked against a Central Office estimate assessed by the following formulae :-

"Age, Invalid and Widows' Pensions and Wives' Allowances"

Estimated average number of pensions and allowances in force in the next financial year	x	Average fortnightly rate per pension or allowance	x	Number of pay days in the financial year
---	---	---	---	--

"Child Endowment"

Estimated average number of endowments in force in the next financial year	x	Average annual rate per endowment claim.
--	---	--

"Maternity Allowance" and "Funeral Benefit" Grants

Numbers estimated to receive grants in the next financial year	x	Average rate per grant
--	---	------------------------

Statistics of numbers on benefit and average cost for claims and grants are supplied to the Director (Finance) by the Director (Research).

Housekeeper Service Grant

275. The estimates in respect of this grant are based on fixed amounts of grants each year.

Exhibit
73/17

Homes for Aged Persons - Grants to eligible organisations under the Aged Persons Homes Act

276. The Department's annual estimate is based on the outstanding liability (the amounts still unpaid) on grants approved and the amount estimated to be paid on grants likely to be approved in the next financial year. With regard to the outstanding liability, expenditure is estimated in two parts - grants where the full outstanding liability will be met and grants where only a portion of the liability will be paid, having regard to average project completion rates as shown by past trends and statistics. In respect of grants likely to be approved, the value of expected new grants and likely expenditure on such grants in the ensuing financial year is based on trends over recent years.

Exhibit
73/17

277. As the number and size of new applications lodged, and the rate of progress achieved by building contractors, Exhibit 73/17 are beyond the Department's control, it was said to be extremely difficult, to provide accurate advance forecasts of expenditure.

Pensions to officers on retirement

278. The number of recipients of this benefit is very small and the estimate of expenditure is based on the fortnightly entitlement of each recipient multiplied by the number of Exhibit 73/17 periodical payments in the financial year.

Supplementation of pensions and allowances to which the Transferred Officers' Allowance Act applies or which are payable under Section 71 of the Superannuation Act.

279. This appropriation provides for pension increases granted to certain transferred officers under the Transferred Officers' Allowances and Superannuation Acts of 1951, 1954 and 1958, to be continued. About 160 persons are involved and payments are made regularly each fortnight at rates advised by the Superannuation Board. Estimates are based on the number of periodical payments due in a financial year. Exhibit 73/17

Accommodation for disabled persons - Grants to eligible organisations

280. An initial provision of £150,000 was made for 1963-64, but as no grants had been approved to May, 1964, it was expected that little or no expenditure would be made in the financial year. Exhibit 73/17
 Expenditure was said to be dependent on the rate of response from organisations and the expenditure incurred during 1964-65. We were subsequently and Q's. 1138
 informed that one grant had been approved in 1964-65. We 1140, 1141,
 were assured that wide publicity, through Press, radio 1148 and 1149
 and printed brochures, had been given to the availability of this assistance. Mr. Hill informed us that the Department had made estimates of £150,000 for this grant for both 1963-64 and 1964-65 largely on the force of the campaign launched by voluntary organisations to obtain such assistance, as the Department had no past experience on which to base its estimates. Actual expenditure in 1964-65 amounted to £6,600.

281. Details of estimated and actual expenditure on "Other Services" administered by the Department of Social Services from 1962-63 to 1964-65 are set out below in Table No. 5.

TABLE NO. 5

OTHER SERVICES ADMINISTERED BY THE DEPARTMENT OF SOCIAL SERVICESEstimated and Actual Expenditure1962-63 to 1964-65

£

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Other Services	1962-63		1963-64		1964-65	
	Estimated Expenditure	Actual Expenditure	Estimated Expenditure	Actual Expenditure	Estimated Expenditure	Actual Expenditure
Compassionate Allowances and other Payments - Special Circumstances	106,565	95,149	93,570	83,431	(a) 104,000	97,918(a)
Housekeeper Service Grant	13,700	13,700	13,700	13,370	13,700	12,163
Homes for Aged Persons - Grants	3,300,000	3,186,201	3,700,000	3,704,013	3,700,000	3,999,725
Pensions to Officers on Retirement	920	1,024	3,460	3,446	3,500	3,463
Supplementation of Pensions and Allowances	16,000	14,927	23,300	22,927	16,500	15,397
Accommodation for disabled persons - Grants to Eligible Organisations	-	-	150,000	-	150,000	6,600
Telephone Rental Concessions to Pensioners and others	-	-	-	-	288,000	276,180
Imperial Pensions Trust Account Adjustment	-	476	-	-	-	-
Total : Other Services	3,437,185	3,311,477	3,984,030	3,827,187	4,275,700	4,411,446

(a) Includes War and Repatriation Services.

(c) WAR AND REPATRIATION SERVICESCompensation payments to former employees of Civil
Construction Corps and other civilians for war
injuries

282. Only about 80 persons receive those payments which are paid each fortnight. Estimates are based on the number of periodical payments due in a financial year, plus a small provision for hospitalisation costs.

Exhibit 73/17

Discharged members of Women's Services - Payments under
special circumstances.

283. As expenditure for this purpose in any particular case does not continue for a full year, the estimated expenditure is based on the levels of expenditure and numbers on benefit during previous years and the current financial year.

Exhibit
73/17

284. Details of estimated and actual expenditure by the Department of Social Services on War and Repatriation Services for 1962-63 and 1963-64 are set out below in Table No. 5. Estimated and actual expenditure on those services in 1964-65 is included in Compassionate Allowances "Other Services" in Table No. 5.

TABLE NO. 5
WAR AND REPATRIATION SERVICES
Estimated and Actual Expenditure
1962-63 and 1963-64.

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£

	1962-63		1963-64	
	Estimated Expenditure	Actual Expenditure	Estimated Expenditure	Actual Expenditure
Compensation Payments to Former Employees	14,915	14,207	14,200	14,180
Discharged Members of Women's Services	1,900	1,743	2,200	2,190
Total : War and Repatriation Service	16,815	15,950	16,400	16,370

(d) CAPITAL WORKS AND SERVICESCommonwealth Rehabilitation Service -
Plant and Equipment

285. As indicated in Chapter 13, paragraph 206, provision is made to cover the purchase of special plant and equipment of a capital nature for use in rehabilitation centres operated by the Department. Generally, requests for such plant and equipment originate in the States and are required to be supported by technical data, details of costs and sources of supply. The requests are examined by the Principal Medical Officer in the Central Office to ensure that satisfactory equipment, at a lower cost, is not available. Provision for approved items is then included in the estimates.

Exhibit
73/17 and
Q 1150

286. Details of estimated and actual expenditure by the Department on capital works and services (plant and equipment for Commonwealth Rehabilitation Services) for 1962-63 to 1964-65 are shown below in Table No. 7.

TABLE NO. 7Capital Works and Services

(Commonwealth Rehabilitation Service - Plant and Equipment)

Estimated and Actual Expenditure

1962-63 to 1964-65

Year	Estimated Expenditure	Actual Expenditure
1962-63	5,000	4,476
1963-64	5,000	4,889
1964-65	3,000	2,954

Exhibit
73/9 and
Committee
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(e) ADMINISTRATION EXPENDITURE OF THE DEPARTMENTSSalaries and Allowances

287. Expenditure by the Department for this purpose, includes at both the central office and

State establishment levels, salaries and allowances of permanent officers, temporary and casual employees and extra duty pay. The preparation of estimates for these sub-groups is discussed below.

Salaries and Allowances for Permanent Officers and Temporary and Casual Employees

288. An examination of occupancy, both actual and projected, is made of each position on the Central Office and State establishments, the examination of the latter establishments being made in the State Offices. In formulating the estimates, provision is made only for positions approved by the Public Service Board. Exhibit
73/17

289. On its examination of each position, the Department considers whether the occupant is a permanent or temporary officer and whether a salary increment will fall due in the period to which the estimate relates. Also, assessments are made of any higher duty allowances, retirement allowances, payments in lieu of furlough and allowances in the case of officers appointed or transferred away from home, that may be payable. Exhibit
73/17

In the case of the Central Administration, a separate provision is made for Ministerial staff and in the case of both the Central Administration and State Establishments, provision is also made, where necessary, for the salaries of officers on loan from other Departments, who are not occupying an approved position on the establishment, and the salaries of officers on the unattached list, pending suitable vacancies. Very few officers were said to be involved in either of these two situations. Exhibit
73/17
and
Q.1123

291. When a total figure has been determined, deductions are made to provide for positions occupied by temporary employees and estimated savings on positions likely to be unstaffed for part of the year. Exhibit
73/17

A deduction is made also for the cost of one days's pay. Salaries are calculated on a yearly basis but there are only 26 fortnightly pay days in most years. Thus a deduction must be made to allow for the additional day. A Treasury Instruction has been issued in respect of years in which there are 27 pay days. The resultant figure represents the estimated expenditure on salaries of permanent officers for the forthcoming year.

Exhibit
73/17
and
Q.1123

292. The estimates submitted by the State Branches to Central Administration are accompanied by supporting documents to show a reconciliation between the estimated requirement for the forthcoming year and the latest revised estimate for the current year; establishment variations, within Branches, which have occurred during the year; the current cost per head of existing staff and the numbers of staff in employment at the time of preparation of the estimates and reasons for variation (if any) with the approved establishment; and the numbers of staff provided for in the estimates. These documents are examined in the Central Administration before a collation of the figures for the Commonwealth is made.

Exhibit
73/17

Extra Duty Pay

293. In the case of the Central Administration a small amount is provided yearly to cover overtime, mainly for additional work required quickly in busy periods such as during the preparation of Estimates and other Budget preparatory work, in making adjustments as required for the implementation of general salary increases, and to meet unusual circumstances.

Exhibit
73/17
and
Q.1125

294. In the case of State Establishments, account is taken of excessive staff absenteeism and turnover, unfilled positions and the necessity to meet payment deadlines regardless of peaks which

Exhibit
73/17

may occur periodically in work loading. Normal working time may be insufficient because of additional or emergency work arising from changes in rates of pensions and benefits, preparation and revision of draft estimates, compilation of annual statistics, closing of accounting records at 30th June, seasonal unemployment in Queensland (or high unemployment generally), shut-down of machines for breakdown or maintenance, changes in social service pay dates because of holidays. The estimate is determined having regard to expenditure incurred for the reasons shown during recent years and likely expenditure for the current year. Regard is also had to known commitments which are expected to involve overtime although such matters as proposed amending legislation are not taken into account.

Exhibit
73/17

(f) OTHER ADMINISTRATION EXPENSES STATE ESTABLISHMENTS

Travelling and Subsistence; Office
Requisites and Equipment; Stationery and
Printing; Postage, Telegrams and Telephone
Services; Incidental and Other Expenditure

295. Expenditure for the items is recorded under classified sub-heads in the Central Administration and State Offices of the Department. Estimates for these items both at the Central Administration and State Offices are based on an examination of expenditure for past years and the current year, the deletion of non-recurring expenditure and provision for new expenditure proposals including provision for expected variations in rates of expenditure for various reasons.

Exhibit
73/17

Publicity

296. Expenditure on publicity by the Central Administration is maintained on a year to year programme basis. Details of requirements are supplied each year by Heads of Branches.

Exhibit
73/17

Office Services.

297. Detailed records are kept in the State offices of costs for fuel, light, power, water supply, sanitation, office cleaning and laundry for the Department's six capital city and 23 Regional Offices. Estimates are submitted to Central Administration on a form showing the costs for each building occupied in the various States. Exhibit 73/17

Services of Magistrates, Police, Registrars and Agents.

298. Payments are made under this item to Magistrates, Police and Registrars of Social Services for investigation work, mainly in country areas on social service claims (mainly applications for and reviews of pensions); and for an annual payment to the Queensland Government for services performed in connection with the Unemployment and Sickness Benefits Scheme. Exhibit 73/17 and Q's. 1104 to 1107

299. Estimates for investigation work are prepared taking into consideration the estimated variations in grants of benefit. In respect of the annual payment to the Queensland Government a claim is lodged annually by that Government. Provision is made for an amount equal to that of the latest claim, i.e. the claim for the year in progress. It may subsequently happen that the amount provided for this payment is insufficient because, following increases in salary and other costs, the Queensland Government seeks reimbursement of a higher amount but the extra amount cannot be anticipated for estimates purposes. While no action had been taken to have the Queensland Government submit its annual accounts at a more suitable time each year, Mr. McArthur agreed that such action could be taken. Exhibit 73/17

While no action had been taken to have the Queensland Government submit its annual accounts at a more suitable time each year, Mr. McArthur agreed that such action could be considered by the Department.

Q's 1104
and 1107

Services of Registrars of Births and Deaths

300. Expenditure on this item was said to be fairly steady and estimates are based on current expenditure.

Exhibit
73/17

Medical Examinations

301. These examinations are carried out by private general medical practitioners and specialists and medical officers of the Department of Health. The fees and allowances approved by the Department of the Treasury and paid to private medical referees are £2. 2.0 per examination for general practitioners and in the case of specialists, £4.10.0 for the first visit, £2.10.0 for each subsequent visit and £6.6.0 for each home visit. In addition, a mileage allowance of 2/6d. per half mile for every mile over two miles may be paid for medical practitioners visiting a patient in the patient's home. Fees are not paid in respect of examinations made by medical officers of the Department of Health. We were informed that in 1963-64 17,386 examinations were made by general practitioners, 15,871 by Department of Health medical officers and 1,183 by specialists, on behalf of the Department.

Exhibit
73/17 and
Committee
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302. The Treasury Observer, Mr. Virtue, informed us that the fees paid by insurance companies for medical examinations are £3.0.0 per visit and for repatriation purposes, the fee is £2.12.6. Adjustments to the fees paid by the Departments of Social Services and Repatriation are determined by the Department of the Treasury in consultation with the Departments of Health and Repatriation,

Q.1156

after representations for adjustments have been made by the Australian Medical Association. Q.1156

303. Records are maintained at State Headquarters and Regional Offices of persons referred to medical practitioners. The estimates are based on these records. The expenditure on examinations by specialists was £3,842 in 1963-64. Exhibit 73/17

Commission on benefit payments made at post offices.

304. Commission is charged by the Postmaster-General's Department for the cash payment of age, invalid and widows' pensions and child endowment at post offices. Rates of commission charged are -

Age, invalid and widows' pensions - 7/- per £100 paid

Child endowment - 20/- per £100 paid

Exhibit 73/17

Estimates of expenditure are calculated as follows:-

Commission on age, invalid and widows' pensions.

Estimated average number of pensioners receiving cash payments at post offices	x	Average fortnightly amount of a pension	x	No. of pay days	x	7/-
						£100

plus

Commission on child endowment.

Estimated average number of endowees receiving cash at post offices	x	Average annual amount of endowment	x	20/-
				£100

305. Details of estimated and actual expenditure by the Department on Administration from 1962-63 to 1964-65 are set out below in Tables Nos. 8 and 9.

TABLE NO. 1

ADMINISTRATIVE EXPENDITURE - GENERAL OFFICE
ESTIMATED AND ACTUAL EXPENDITURE

1952-53 to 1954-55

Exhibit 7A
and Committee
File 1464/1/73

Type of Expenditure	1952-53		1953-54		1954-55	
	Estimated Expenditure	Actual Expenditure	Estimated Expenditure	Actual Expenditure	Estimated Expenditure	Actual Expenditure
Salaries and Wages - General and Administrative Expenditure	22,000	15,125	22,000	22,422	24,500	23,577
Grants and Subsidies	4,500	4,132	4,500	4,552	4,500	4,417
Other Day Pay	7,000	1,421	7,000	1,825	7,500	1,325
Total Salaries and Wages	33,500	20,678	33,500	28,799	36,500	29,309
Administrative Expenses - General and Administrative Expenditure	14,500	15,725	15,200	15,270	30,500	22,725
Postage and Printing	11,200	10,125	11,200	11,217	12,000	11,304
Telephone Expenses	3,300	5,602	4,000	4,055	13,500	10,416
Electricity		2,032		2,473		1,212
Stationery and Other Expenses						
Total Administrative Expenses	14,500	17,759	15,200	18,745	35,500	22,935
Total Administrative Expenditures	35,000	24,922	33,700	27,442	33,500	31,125

TABLE NO. 9
OTHER ADMINISTRATIVE EXPENSES - STATE ESTABLISHMENTS
ESTIMATED AND ACTUAL EXPENDITURE

1962-63 TO 1964-65

2

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	1962-63		1963-64		1964-65	
	Estimated Expenditure	Actual Expenditure	Estimated Expenditure	Actual Expenditure	Estimated Expenditure	Actual Expenditure
<u>Salaries and Allowances -</u>						
Salaries and Allowances	2,279,000	2,281,960	2,566,500	2,533,649	2,700,000	2,680,857
Temporary and Casual Employees	493,000	420,747	418,500	395,724	401,000	395,009
Extra Duty Pay	95,000	80,552	109,500	106,656	88,000	70,146
<u>Total Salaries and Allowances</u>	<u>2,867,000</u>	<u>2,783,259</u>	<u>3,094,500</u>	<u>3,036,029</u>	<u>3,189,000</u>	<u>3,146,012</u>
<u>Administrative Expenses</u>						
Travelling and Subsistence	103,000	97,410	102,500	102,066	107,000	105,413
Office Requisites and Equipment etc.	288,000	285,455	343,500	341,512	345,000	292,145
Postage, Telegrams and Telephone Services	604,000	599,269	644,000	633,004	663,000	648,745
Office Services	33,500	30,636	40,500	39,783	42,400	41,037
Payments for Services of Magistrates, Police, etc.	26,700	27,775	28,500	28,922	47,600	47,314
Payment for Services of Registrars of Births, & Deaths	7,300	6,701	7,000	6,499	7,700	6,844
Medical Examinations	36,000	35,726	40,700	39,634	41,600	41,213
Commission on Benefit Payments etc.	502,500	449,310	467,000	448,660	440,000	426,581
Rebursals on Remittances etc.	24,500	12,245	-	-	-	-
Incidental and Other Expenditure	36,000	34,525	33,300	32,298	28,600	25,041
<u>Total Administrative Expenses</u>	<u>1,661,500</u>	<u>1,579,122</u>	<u>1,707,000</u>	<u>1,672,578</u>	<u>1,692,900</u>	<u>1,634,434</u>
<u>Total Administrative Expenditure - State Establishments</u>	<u>4,488,500</u>	<u>4,362,381</u>	<u>4,801,500</u>	<u>4,708,607</u>	<u>4,881,900</u>	<u>4,780,446</u>

(g) VOTES UNDER THE CONTROL OF OTHER DEPARTMENTSRent - Department of Social Services

306. Where property is rented by the Department, provision for rent is made by the Department of the Interior under a vote under its control. Conditions of any new rentals are approved by that Department. For estimates purposes, the Department supplies, in March each year, details of any likely variations in existing rentals (increased rent, additional space in premises already occupied, or proposals related to other accommodation) to the Department of Interior. These details are sought from Directors of Social Services in February, examined in Central Administration and submitted to the Minister for Social Services for his concurrence before being referred to the Department of the Interior. Exhibit
73/17

Acquisition of sites and buildings

307. Details of specific acquisitions, if any, are supplied by 31st January each year to the Department of the Interior for inclusion in the estimates of that Department. Approval for any approach to the Department of Interior for acquisition would be sought from the Minister for Social Services. In the case of the Department of Social Services, acquisitions occur very rarely and, for this reason, "Nil" estimates are usually prepared in each financial year. Funds are sought from Treasury at the point of time when an acquisition becomes necessary and the cost is known. Exhibit
73/17

Department of Social Services - Repairs and maintenance and Buildings, works, furniture and fittings.

308. Expenditure from these appropriations is under the control of the Department of Works. The submission of estimates is in accordance with administrative procedures issued by the Department Exhibit
73/17

of Works and draft estimates are required by the Treasury by the 31st January preceding the next financial year. Detailed lists of proposals are received in December from Directors in the States for - New Works, Furniture and Fittings, and Repairs and Maintenance, under two headings - "Administrative Establishments" and "Commonwealth Rehabilitation Service". The proposals are in numerical sequence of priority and show descriptive detail of work required and reasons for inclusion in the estimates. Estimates of cost are supplied, where possible, by the Department of Works and, in respect of regular or periodical maintenance of Commonwealth property, a programme recommended by the Department of Works is followed. Each proposal is carefully examined at Central Administration as to necessity and economy. After this examination, approved proposals are sent to Departments of the Treasury and Works by 31st January each year following approval of the proposals by the Minister for Social Services.

Exhibit
73/17

309. Repairs and Maintenance estimates under the heading, "Commonwealth Rehabilitation Service", are not included in the estimates forwarded to the Department of Works as the provision is made in the item "National Welfare Fund - Commonwealth Rehabilitation Service".

General - Buildings controlled by the Department of the Interior

310. Until 1963-64, occupying Departments had been responsible for new works, furniture and fittings and repairs and maintenance in respect of office premises occupied. From 1964-65, the Department of the Interior became responsible for new works and repairs and maintenance in all buildings controlled by

the Department of the Interior, i.e. those offices which are Commonwealth owned and are shared by two or more Departments. The effect of this change is that, in future, Directors of Social Services will (after reference to Central Office where necessary) submit their requirements through the State offices of the Department of the Interior instead of including them in proposals of this Department to the Department of Works.

CHAPTER 17 - INTERNAL AUDIT

311. The function of internal audit in the Department is exercised through an establishment consisting of a section in the Central Office, under the Chief Internal Auditor and internal audit groups located in each State Branch. The internal audit groups in the State Branches are under the administrative control of the Directors of Social Services but, in regard to policy direction and the overall technical control of their activities, they are subject to the direct control of the Chief Internal Auditor. The staff and establishments of internal audit groups as at 30th July, 1965 are set out in Appendix No. 3.

Exhibit
73/12 and
Q. 771

The main functions of the Chief Internal Auditor are to prepare and revise audit programmes, to take action on reports received from the States, to comment, from the auditing viewpoint, on procedural proposals, to develop improved audit procedures and to conduct special investigations. The internal audit group in each State Branch is divided into a number of sections, each responsible for one or more audit programmes, such as pensions, family allowances or Regional Offices. We were informed that division of State Branch internal audit groups into sections tends to reduce the work of the audit staff to a dull form of routine checking which may result in a decreased degree of consideration being given to the purpose of the check.

Exhibit
73/12 and
Q. 773

313. The internal audit staff checks that the accounting systems in use in the Department are sound and that the Department's transactions are conducted with

Exhibit
73/12

accuracy and security. To this end, standard audit programmes covering the checks required in the accounting system have been developed for all branches of the Department. These programmes prescribe the minimum coverage to be performed, although at the auditor's discretion, (this depends on his evaluation of the local conditions), the degree of check may be increased. Each programme contains the description, frequency and extent of each check required. The programmes provide for the observation of the procedures for determination and payment of benefits, comparison of procedures with official instructions, examination of controls and testing of the accuracy and reliability of accounting records. In former years, the programmes included some pre-audit checks, a system under which the auditor checks transactions while they are being performed. Such checks are now the responsibility of the operating branches of the Department and internal audit checks are performed by the sampling of completed transactions.

Exhibit
73/12

314. Each internal audit section maintains a register which shows the date to which each audit has been completed. Errors found during audits are discussed with appropriate levels of the Department's management, analysed as to incidence and area of occurrence and recorded in the auditor's note book. Any major queries form the subject of a written report. Audit reports are prepared periodically for each programme and submitted to the Director of Social Services, in the case of State programmes, or to the Chief Accountant, in the case of Central Office programmes. The Chief Internal Auditor also receives copies of reports which relate to any unsatisfactory features detected, the corrective action taken on queries, any suggestions for amendment of programmes and any audits in arrears.

Exhibit
73/12

315. The extent to which transactions are checked when a sample discloses a number of errors was said to depend on the circumstances of the case. If the sample disclosed serious errors which might give rise to suspicions of fraud or losses of public moneys, the check would be extended until the internal auditors had confirmed their impressions. If it was a case of fraud and the internal audit staff had the capacity to conduct full investigations they would be carried to finality. In other circumstances, the magnitude and number of trans- Q. 780 actions may result in the internal auditors checking a sufficient number of transactions to establish firm conclusions, which, when presented to the management of the Department, would be accompanied by a recommendation that the management of the Department should fully investigate the errors disclosed.

316. We were informed that it is the responsibility of internal auditing to check the control systems rather than to check every transaction performed by the Department. The control systems are assessed by taking samples of the transactions performed. The Department emphasised the importance of auditors knowing and understanding the methods of determining the size of the sample, the methods of performing the sampling and the methods of interpreting the results obtained. To this end, and in collaboration with the Bureau of Census and Statistics, the Department has been studying the applicability of various sampling and quality control techniques to audit work, with the object of improving the quality and speed of its auditing. Exhibit 73/12 and Q. 779

317. In the investigations conducted into the applicability of various sampling techniques to the Department's operations, a great deal of consideration has been given to the relative merits of statistical sampling techniques and judgment sampling. Mr. Nott said that it is impossible to check every transaction in the Department's operation so that only a proportion of the transactions are checked. An officer using judgment sampling considers the environment in which the work is being performed, the types of people performing the work and the complexity of the transactions and then makes a random choice to determine the proportion of transactions to be checked. It would be difficult in these circumstances for an officer to justify the selection of 10 per cent. of transactions as the proportion to be checked rather than, for example, 12½ per cent. or 7½ per cent.. On the other hand, statistical sampling techniques make use of probability theory combined with a considerable background of statistical theory which provide certain facts regarding the whole of the data being studied. Given these basic facts, an officer can confidently establish the size of the sample which should be selected to ensure a reasonable probability of attaining the predicted result. Q. 787

318. We were informed that although the judgment method of sampling is faster than the statistical method there is less certainty about the accuracy of the results obtained because the sampling is not based on any known theory of probability. For instance, it is difficult to determine whether the results of a 10 per cent. check are satisfactory or whether the size of the check should be further increased. Mr. Mead said that use of judgment sampling in an area of work such as child endowment had resulted in the checking of an Q's. 788 and 789.

unnecessarily large number of transactions to obtain the required information. Adoption of statistical sampling in the larger areas of work would reduce the number of transactions checked, produce greater certainty in the accuracy of the results obtained and reduce the time absorbed in checking an unnecessarily large number of transactions.

Q's. 788 and 789.

319. The nature of the Department's transactions had led it to conclude that statistical techniques would be a more appropriate sampling method than judgment sampling. A pilot test in one area of the Department's operations had indicated that considerable advantage would be derived from the use of statistical sampling particularly in interpreting the results of the audit checks in this area. A statistical sampling plan for the audit of an area of the Department's work was subsequently developed and trial applications of this plan were in progress in the State Offices during 1965.

Q. 779 and Committee file 1964/1/73

320. It was thought that introduction of statistical sampling may require additional specialized training for internal audit officers as well as a higher grade of staff. This supplementary training would be introduced as soon as the necessary manual and training facilities became available. We were informed that the Department had approached the Public Service Board on 5th October, 1964, to obtain approval for a re-organisation of the internal audit staff. The proposal was designed to create a more flexible, centrally disposed group of staff who could be deployed on particular, programmed examinations as required. We were subsequently advised by the the Public Service Board

Exhibit 73/12 and Q. 782 and Committee file 1964/1/73

that consideration of the Department's proposal had been deferred pending an extensive general review of accounting and audit work in the Commonwealth Service.

Exhibit 73/12,
Q. 782 and
Committee
File
1964/1/73

321. Staff are not normally recruited directly to internal audit positions in the Commonwealth Service. The practice adopted is to select officers from the clerical groups who show interest in, and aptitude for, internal audit work and who have commenced a course of study in accountancy. Whilst most officers are recruited to the Commonwealth Service to base grade positions, the lowest grade of internal audit positions is several ranges above the base grade of the Third Division. It is thus a common feature that officers who have had previous clerical experience in other sections of the Department apply for selection to internal audit positions. The Department considers that to place an officer, who is unaccustomed to the Department's procedures, in the internal audit section would not be in the best interests of efficient internal audit.

Exhibit
73/12 and
Q. 774

322. The Department requires officers with qualifications in accountancy, in addition to general administrative experience, in the top 26 internal audit positions, as shown in Appendix No. 9, i.e. from the salary level £1419-£1663 and above. The Department would also wish to obtain officers who are commencing courses in accountancy in the positions of Clerk (£1053-£1297) and Clerk (£1175-£1419). Accountancy qualifications are not required for the positions of Clerk £529-£1175) and Clerical Assistant, Grade 4 (£958-£1,000). Mr. Nott said that his Department would probably have a greater number of officers in these latter two internal audit positions than would many, if not most, Departments. The reason for this fact was the considerable amount of repetitive

Q's. 803
to 809

work of a simple accounting nature, making a very heavy amount of detailed routine checking necessary which may result in a decreased degree of consideration being given to the purpose of the check. To obtain a higher degree of interest and freshness of approach to the work, the Department had endeavored to avoid retaining officers in one area of work with which they could become too closely associated. However, it was said that with gradual changeover to a more carefully designed approach to the selection of samples for checking, the Department will reduce the volume of monotonous, routine checking. This will enable the Department to reduce the total number of internal audit positions but will result in a greater number of positions in the higher grades.

Q's. 803
to 809

323. At present, the Department considers that the number of fully qualified internal audit officers, particularly in the senior levels of the internal audit sections, is not as high as it desirable. A survey of officers in internal audit positions in May, 1964, showed that only 4 officers out of a total internal audit staff of 67 possessed full accountancy qualifications and that a further 7 officers were studying to obtain accountancy qualifications. Three factors were said to be responsible for this situation. First, those officers who obtain their accountancy qualifications thereby increase the number of opportunities open to them to obtain promotions to higher positions, both within and outside the Department. Secondly, many officers were said to prefer to make their careers in areas of work other than in internal auditing and especially when the internal audit work involved a considerable amount of routine checking. Thirdly, the salary ranges approved by the Public Service Board for internal audit positions, are generally lower than the ranges approved for

Exhibit
73/12 and
Q.'s 776
to 778

positions in the Audit Office.

324. The Public Service Board's observer, Mr. Nordeck, confirmed that the classifications of internal audit positions in Departments are generally lower than the auditing positions in the Audit Office. He stated that it is the view of the Public Service Board that audit positions in the Audit Office perform work of a wider and more complex character than that found or required in the internal audit work of Departments and this aspect is reflected in the classifications of internal audit positions within the Departments. Q's. 777 and 813

325. Officers joining the Department are advised of the need to acquire some form of qualifications and this need is drawn to their attention on subsequent appropriate occasions during their careers. The Department considers that this is a sufficient form of encouragement to obtain qualifications as the most satisfactory officers generally commence a course of study. Accountancy training is mainly provided by outside organization. The Department itself has no facilities to provide training to obtain accountancy qualifications, (for example cadetships); officers reaching a certain stage in their accountancy courses may be permitted to take time off from duty of up to 5 hours per week to complete their studies. Mr. Grotty emphasized that, in practice, the Department endeavours to be as generous as possible in granting this concession. Q's. 783 and 784.

326. A continuous and extensive liaison is maintained with the Audit Office. For example, the Department normally refers its programmes of audits to the Audit Office for comment and advice before the programmes are finally adopted. The audit Office observer, Mr. Feely, said that internal audit is primarily a subject for which the management of the

Department is responsible. However he said that the Auditor-General would like to see more qualified officers doing internal audit work in order to raise the standard of the work performed; secondly, there should be a little more independence in the internal audit work in the Department of Social Services as the internal auditors should not be responsible to the State Directors of Social Services. The Audit Office considers that internal auditors should be given as much independence as possible and in particular, should be independent of the accountants or those responsible for the work performed in State Offices. He added that, generally speaking, the Audit Office is satisfied with the Department's arrangements for internal audit and that the arrangements were continually under review as the Audit Office relies upon the efficiency of Departments' internal audits to a large extent in order to perform its own audit of the Department's accounts.

CHAPTER 18 - MAINTENANCE AND CONTROL OF STORES AND ASSETS

The expenditure of the Department on stores purchased for administrative purposes, (including expenditure within votes controlled by the Department of Works,) comprised about 4.2 per cent. of its total administrative expenditure for 1962-63. A statement indicating the expenditure of the Department on stores items in 1962-63 is attached as Appendix No. 15. The system of control and maintenance of stores and assets is described in this chapter under the headings of Purchase; Receipt and take-up; Custody; Issue; Stocktaking; and Disposal. Exhibit 73/20

Purchase of Stores

328. The purchase of stores by the Department is subject to the following requirements: - that the stores are essential to the operations and functions of the Department; that the Authorising Officer appointed by the Treasurer certifies beforehand that funds are available; and that prior approval to purchase is obtained from competent authority. There are a number of Departmental controls and requirements of the Treasury operating over the purchase of the types of stores necessary to the operations of the Department. These controls and requirements are set out hereunder. Exhibit 73/20

329. Prior approval of the Commonwealth Stores Supply and Tender Board is obtained to purchase office machines and to procure printing requirements which cannot be supplied by the Government Printer. The Board arranges contracts for the supply of envelopes and continuous stationery for the punched card machine equipment used in the Department. In the case of certain office machines, the Commonwealth Stores Supply and Tender Board also seeks a Exhibit 73/20

recommendation from the Commonwealth Public Service Board's Management Services Division. In the case of books and periodicals, it is necessary to obtain the prior approval of the Central Administration's Library Committee before these items may be purchased for the Central Administration's library. Exhibit In respect of foodstuffs and consumable stores 73/20 for the Rehabilitation Service, purchases are made from contractors to other Departments or under contracts arranged by the Contracts Boards of the Department of Supply. Purchase proposals for consumable and semi-consumable stores are checked against previous purchase and usage rates. Type-writers, office requisites and stationery in common use in all Departments are purchased directly from the Commonwealth Stores Supply and Tender Board. Wherever possible, all other items are purchased under period contracts arranged by that Board.

330. The purchase of buildings, and/or sites is arranged through the Departments of the Interior and the Treasury. The last expenditure on this item was £79 in 1961-62 on minor expenses incurred in connection with the site for the Mount Wilga Rehabilitation Centre in New South Wales. The previous expenditure was £7,661 in 1956-57 on the acquisition of the site and building for the Lismore Regional Office. The construction and alteration of buildings on Commonwealth sites and the provision of furniture and fittings are contingent upon obtaining approval for inclusion of the items in the approved Works programme for the financial year concerned. Appendix No. 15. shows that expenditure on furniture and fittings, including machinery and electrical installations, amounted to approximately £20,000 in 1962-63.

Exhibit
73/20,
Q. 1206 and
Committee
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The expenditure in the vote for Buildings, Works, Fittings and Furniture in 1962-63 was £36,000 and the expenditure on the civil works programme, as shown in the Treasury's Statement of Receipts and Expenditure for Year 1962-63, Page 3, was £10,818, leaving a balance of expenditure of £46,874, on other items. The Department subsequently informed us that the amount of £3,418 is that portion of the expenditure on works which was in progress as at 30th June, 1963. The figure of £46,874 comprises an expenditure of £44,818 on works completed in that year and £2,056 on administrative charges. The expenditure of £20,000 on Fittings and Furniture contains portions of each of these elements. The amount of approximately £20,000 appearing in Appendix No. 1, represents that portion of £20,000 which was expended on controllable stores items, which excludes items such as partitions in the office and floor coverings which are covered in the balance of approximately £2,000.

Exhibit
73/70,
2, 1966
and
Committee
File
1964/1/73

14. The method of purchase in the case of building projects and furniture and fittings (for which there must be provided in the approved Works programme), is to place a requisition on the Department of Works. That Department then arranges for the supply or service to be performed and debits the cost to the Capital Works and Services vote relating to the Department of Social Services.

15. For purchase of items which are not dealt with by the Commonwealth Stores Supply and Tender Board or the Department of Works or are not available under other Government contracts, at least three representative quotations are obtained by the Department, (wherever possible) for purchases exceeding £25 and up to £200. For purchases in

Exhibit
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excess of £200 and up to £500, at least five representative quotations are required and details of each such contracts are published in the Commonwealth Gazette. Where the estimated cost of supplies or services exceeds £500, public tenders are invited. However, on occasions where there has been only one supplier of the goods or services, the approval of the Executive Council has been obtained to purchase without inviting tenders. The last occasion on which such approval was sought was in 1964, for the expenditure of £800 for the processing of statistical cards on automatic data processing equipment, by a private organization. For all purchases, except those made through the Department of Works, an official order, signed by an Officer authorised by the Chief Officer, is placed on the approved supplier.

Exhibit
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Receipt and take-up of stores

333. The action taken to record the receipt of the various categories of stores is as follows. In respect to office furniture, office machines and equipment, these items are recorded immediately on receipt in inventories kept at each establishment. These show the total number of each item on charge and the room locations. The inventories at rehabilitation centres include all non-consumable stores received and issued at the centres. Printed forms, envelopes and stationery are received into bulk stock and recorded on stock cards. Full details of accountable forms such as cheque forms, cashable pension and endowment order forms, receipt books, travel warrants etc. are recorded in registers kept for this purpose.

Exhibit
73/20

Reference books and periodicals are delivered to the Central Administration library and are recorded in an accession register. In the case of rehabilitation centres, all items are taken on charge immediately on receipt in stores ledgers. Deliveries of perishable foodstuffs are recorded as to quantities and date received immediately on receipt. Suppliers' accounts are checked against this record before payment is made. Exhibit 73/20

334. The officer responsible for receiving the stores (except foodstuffs, as mentioned above) signs an acknowledgement, on a copy of the official order form, that he has received the items listed thereon. When a claim for payment is received from a supplier, the claim is matched with the receipted copy of the order before payment is made. In the case of furniture and equipment, the Department of Works requires Departments to acknowledge that each requisition for furniture and equipment has been satisfied. A property register is retained at the Central Administration to show details of all buildings occupied by the Department. Exhibit 73/20

Custody of stores

335. On receipt, stores are housed appropriately according to their nature and value. Bulk stocks of stationery are kept in locked store rooms or cupboards, according to quantity, at each Departmental establishment. Accountable forms such as cheque forms, receipt books, travel warrants etc. are kept in safes or strong-rooms. Exhibit 73/20

336. General stores at rehabilitation centres are under the control of authorised storeholders. No unauthorised persons are Exhibit 73/20

allowed access to the stores which are kept under lock and key when the storeholders are not in attendance. The Manager of each centre is required to supervise the control of stores used in all phases of the centre's activities to ensure that waste, loss, theft or damage does not occur. Exhibit 73/20

Issue of Stores

337. Procedure for the issue of stores varies according to their nature. Envelopes, stationery and printed forms are issued from bulk stock against written requisitions which are recorded on the stock cards. Accountable forms are issued only to officers authorised to use them and each issue is signed for in the appropriate register. Books are made available from the Department's library for set periods. Their issue is recorded in a loans' register and a system of regular checks are performed to ensure their return. Exhibit 73/20

338. Rehabilitation stores are divided into three categories :- Consumable stores, e.g. materials used in occupational therapy, foodstuffs; Semi-consumable stores, which are stores of a non-consumable nature having a value of £3 or less, e.g. small tools, crockery, cutlery; and Non-consumable stores, which are valued at more than £3, e.g. plant and machinery, more expensive tools. Issues of all three categories of these stores (except perishable foodstuffs) are made from bulk stock by a stores officer only on the presentation of requisitions which have been approved by the Manager of the rehabilitation centre concerned. The requisitioning officer signs for the receipt of the goods and the issues are recorded in the stores ledger from the requisitions. The stores ledger is maintained by an officer who has no right of access to the stores; similarly, the stores Exhibit 73/20

officer is prevented from having access to the stores ledger. Semi-consumable stores are not treated as accountable after issue from a bulk store. At each establishment, maximum monthly usage rates have been determined and are revised periodically; issues from the bulk stores are limited to these set usage rates. In addition, in each category of semi-consumable stores, a limit is set on the number which may be held in the various sections of the centre. Details of non-consumable stores issued on internal requisitions are entered in inventories referred to above.

Exhibit
73/20

Stocktaking

339. All stores on charge are subject to annual stocktaking, the results of which are reconciled with the inventories and/or stores ledgers. Discrepancies are investigated and adjusted in the records under the delegated authorities indicated in Appendix No. 4. Mr. Mead informed us that when the extent of a deficiency has been satisfactorily established, the officer holding the appropriate delegation endorses the ledger records as an authorization to take the goods off charge. Semi-consumable stores in use at rehabilitation centres are not subject to annual stocktake but sectional supervisors are required to check periodically the items on hand against the approved stock holding for the section. The number of adjustments made to the records following discrepancies found during stocktakes in New South Wales and in Victoria during 1963-64 were 15 and 11 respectively. The value of stocktaking adjustments in all States in 1963-64 was £179.

Exhibit 73/2
Q. 1215 and
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Disposal of Stores

340. No stores may be taken off charge from any of the inventories or store ledgers without proper authority. The authority must be referenced against the entry in the record concerned. Stores are taken off charge by way of :- authorised issue; transfer; write-off of condemned, obsolete, unserviceable, lost or deficient stores, and approved sale. Between 1st July, 1962 and 28th February, 1965, the delegations to write-off lost or deficient stores were exercised on the following numbers of occasions: - 45 instances in respect of stocktakes; and 48 instances other than after stocktakes.

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73/20 and
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341. The Department disposes of surplus stores by approved sale through the Department of Supply. Under existing procedures, these stores are transferred to that Department and, with the exception of items purchased from the Trust Fund, the Department of Social Services takes no further part in the actual sales. The number of occasions on which goods have been declared to the Department of Supply subsequent to 1961-62 have been as follows : 1962-63, 48; 1963-64, 34; and 1964-65 (to 28/2/65), 24. The stores declared for sale were in the following main categories : occupational therapy workshop equipment and plant; physiotherapy equipment; furniture used in rehabilitation centres; and office equipment, furniture and machines. It was stated that, apart from local events, (such as the amalgamation of Mt. Bracken and St. Margaret's Rehabilitation Centres in South Australia) variations in the number of sales in recent

Q's. 1223
and 1226
and Com-
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years have not shown any definite trends. The revenue from goods sold is returned to the Department of Supply for credit to the Consolidated Revenue Fund.

342. Stores to be treated as condemned, unserviceable or obsolete are inspected by a Board of Survey, appointed by the Chief Officer, which recommends to the appropriate authority that the stores should be repaired, converted to another use, sold, or destroyed. The Board of Survey is required to report instances where it considers that the condition of the stores surveyed is not due to fair wear and tear. It was stated that on no occasion since 1962 has a Board of Survey reported that the condition of stores surveyed was not due to wear and tear. The write-off of all condemned, unserviceable, or obsolete stores, which have been recommended for destruction or reduction to and subsequent sale as scrap, is approved under Section 700 of the Audit Act by officers holding delegations from the Treasurer. All stores, including scrap, approved for disposal by CIO, are sold through the Department of Supply.

Internal Audit

343. Internal audit reviews made of the controls over various types of stores are performed quarterly. In these reviews, test checks are carried out and evaluation is made of the effectiveness of all controls over the various categories of stores. Management is informed of the results of audits and follow-up action is taken to ensure that satisfactory remedial action is performed where necessary.

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PART IV - THE ADMINISTRATION OF SOCIAL SERVICE BENEFITS
BY THE DEPARTMENT.

CHAPTER 19 - BENEFITS PAYABLE UNDER THE
SOCIAL SERVICES ACT 1947-1964.

344. As indicated in Chapter 5, the Department administers its responsibilities through its State Administrations located in the State Capitals; through 23 Regional Offices in the larger provincial areas; and through local agents, such as Clerks of Courts, and District Employment Officers. Because of the differing sizes of the establishments, minor variations in procedure occur, but the major principles as set out in this chapter were said to apply in all locations. For convenience, this chapter deals mainly with the situation applicable to a Capital City office. The subject is considered under the following sub-headings: Procedure - State Headquarters, Control Measures, and Work Volumes.

PROCEDURE - STATE HEADQUARTERS

345. Claims for all benefits are received in a centralised mailing and despatch section, although a small number is received by hand at the counters of the offices. Correspondence is examined for enclosure of remittances and other accountable documents, date stamped and sorted into the various types of social services involved. The papers are then forwarded to the appropriate Branch for attention. Unemployment Benefit claims are received directly from the Department of Labour and National Service.

Exhibit
73/16

346. For all benefits, it is necessary to establish the identity of the claimant, whether any previous records are held, and whether the case is one for investigation by the State Headquarters, or, for the small number of claims sent to the wrong address, by a Regional Office. The claims are

Exhibit
73/16

checked through the index and the result endorsed on them. If there is an existing record, the claims are attached to the file. For the majority of claims, however, there is no record, so a file is prepared, and suitably indexed.

347. In the case of claims for pensions, the files are passed to an officer who, in respect of each claim, makes an appointment, a reasonable time ahead, for the claimant to call for hearing of the case by a Special Magistrate, and advises the claimant; sends out inquiry forms to verify date of birth, marriage, cessation of employment, etc.; and issues an advice to check whether the claimant is receiving Unemployment or Sickness Benefits.

Exhibit
73/16

348. In all cases where health or age or distance from the office precludes the claimant from attending the office of the Department, an officer visits the claimant. In far distant country areas, the Department utilizes the services of agents, such as Clerks of Court, in addition to travelling Special Magistrates who are based on Regional Offices and who move on circuit to hear claims for pensions. (This aspect is more fully examined in Chapter 5.)

Exhibit
73/16 and
Q's. 991
and 991

349. Appointments with Special Magistrates are spaced at half-hourly intervals so that interviewees are not kept waiting unduly. In certain circumstances, claimants may be interviewed on request, particularly if an element of hardship is said to exist. In Victoria, a test in progress during 1964 was designed to show whether there is any need to introduce a system of immediate interviews for those persons who bring their claims to the Melbourne office, but who have not made appointments. Immediate interviews are not always possible because some people who come to the office to make a claim do not bring the necessary supporting documents with them. The results of the test had not been evaluated at the time of compilation of Your Committee's Report.

Q's. 99
and 995

350. For Family Allowances, Unemployment, Sickness and Special Benefits, the files, when made, are passed directly for investigation by the appropriate Branch.

Exhibit
73/16

351 Claimants for pensions are interviewed on Oath by a Special Magistrate who records a statement of evidence, and obtains the claimant's signature for it. The Special Magistrate investigates each claim having particular regard to Section 38(3) of the Social Services Act which states -

"In investigating the claim the Magistrate shall not be bound by any rules of evidence but shall investigate the claim and make his recommendation according to equity, good conscience and the substantial merits of the case, without regard to legal forms or technicalities."

Exhibit
73/16

352 Arising out of the interview, and before making his recommendation, the Special Magistrate may consider that it is necessary to institute further enquiries to establish the bona fides of the case. When satisfied, he recommends either that a pension be granted (and at a certain rate) or that the claim should be rejected.

353 Normally, interviews are not necessary in considering claims for family allowances, but necessary verifications are undertaken, such as production of the certificate given by the medical practitioner who attended the birth. With claims for Child Endowment, where the child could already be endowed, the Department seeks information regarding any previous payment of endowment. The examiner satisfied himself regarding the bona fides of the claim, assesses the amounts due and endorses the appropriate codings. In particular, he is required to make adjustments to existing endowment where the child concerned represents an addition to a family.

Exhibit
73/16 and
Q. 996

354 Sickness Benefit is granted according to the nature of the medical certificate supplied by the applicant and subject to verification of the actual date of cessation of employment, the age of claimant, marriage, number of children, etc , where applicable.

Exhibit
73/16

355. Claims for Unemployment Benefit are lodged with the Commonwealth Employment Service which records on the claims that, although registered for work, it is not possible to offer suitable employment to the claimant concerned. Upon receipt of the forms, the Department obtains any relevant information from the previous employer immediately the claim is lodged and makes other necessary inquiries. The Department was said to receive 95 per cent. of the replies to such inquiries from employers within 14 days of despatch. In the other 5 per cent. of inquiries, the employer is usually telephoned, to ensure that an answer is received within 14 days. If inquiries to employers cannot be satisfied by a telephone call, a payment of benefit is made to the claimant and further inquiry-action is taken. Mr. Crotty informed us that it is part of a review by an organization and methods team to examine the time that elapses in determining a claim. From returns submitted by the State Branches, the Organization and Methods Section examines the levels of undetermined claims, especially for pensions, and takes any corrective measures necessary. In respect to the present time cycle of determining claims for unemployment and sickness benefits, Mr. Williams stated that the Department was satisfied that the time cycles are of the minimum duration. We were informed that a progressive organization and methods review of all Unemployment and Sickness Benefits Branches was being conducted at the time of Public Hearing.

Exhibit
73/16 and
Q's. 998
to 1001

356. In respect of all benefits, the Department requires the investigation to be undertaken by one officer and the approval to be given by a senior officer. In approving the grant or rejection of a claim, the officer concerned is required to satisfy himself that the investigating officer conducted all reasonable inquiries and has correctly assessed the situation. Consideration is given at this stage to the possibility of rehabilitation for the beneficiary.

Exhibit
73/16

357. The great volume of payments being made at frequent repetitive periods by the Department has necessitated the use of highly mechanised procedures which render it necessary, in respect of pensions and family allowances, for the decision to be coded and punched into a master card. Concurrently with this operation, notices of grant are prepared and referred to the mailing and despatch section for posting. The accuracy of relevant information on the punched cards is checked by an "Issuing Officer" who endorses appropriately the punched cards and the basic documents from which the cards were prepared. For pension payments, it is usual to pay ⁱⁿ arrears, as the first payment is due on the payday after lodgment of the claim. For convenience, the arrears payment is made by use of Treasury Form 18 and individually typed cheque. Each authorised punched card (and statistical card where necessary) is then referred to the Accounts Branch which introduces the card into the system, suitably adjusts controls and proceeds with the repetitive payment action until otherwise instructed.

Exhibit
73/16

358. Unemployment, Sickness and Special Benefits, on the other hand, do not form part of the punched card processes and are paid weekly by typed cheque. As each case is examined, the amount of the payment is assessed and included on a payment authorisation (ledger) card, checked and approved by a senior officer. According to the information included on the cards, the accounting section (which is located within the Unemployment and Sickness Benefit Branch for convenience) simultaneously prepares the cheques and cash sheets for the amounts concerned. The accuracy of the preparation is checked and after reconciliation between the predetermined liability, as shown on the ledger cards and the total of the cheques, the latter are despatched. The same ledger card is used for continuing payment.

Exhibit
73/16

359. The various types of social service benefits are paid at differing intervals and by differing methods, as indicated in Appendix No. 16.

360. At present, the Department is only able to make payments of pension by cheque and by the order book system, payable through a Post Office. We were informed that about 90 per cent. of pensioners receive payment of pension by cheque, which was introduced in 1939. Approximately .15 per cent. of cheques issued in payment of pensions are returned. Mr. Fagg informed us that in Queensland, approximately 100,000 cheques are issued each fortnight in payment of pensions and that about 60 applications would be received subsequently for issue of a duplicate cheque. Ultimately, it would be necessary to issue about 25 duplicate cheques, as a result of the original not being received by the pensioner concerned. The important advantage to the Department of payment by cheque was said to be the ready ability to effect changes in legislation as compared with payment by the order book system. Under the payment by cheque system, the Department merely prints the amount of the payment on the face of the cheque. This amount could, theoretically, be altered every fortnight, if necessary. If the pensioner dies, it is a simple matter to stop payment of the cheque. Under the order book system, changes in legislation necessitate the production of new order books and the recall of the existing order book, which was said to be a cumbersome machinery and clerical process. A further problem in the use of the order book system was said to arise when a pensioner dies, as the pensioner may have as much as 12 months' supply of orders in the book.

Q's. 848,
855, 782,
and 891
and Com-
mittee file
1964/1/73

361. The Department receives notification of the death of a pensioner in a number of ways. The Registrars of Births and Deaths ask persons notifying the death of a person whether the deceased

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file
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was a pensioner and, if so, to advise the Department of the death and to return the order book (if any) to the Department. Other notifications of death may be received when a claim for funeral benefits is made or through unsolicited advice from a person formerly associated with the pensioner. In some instances, order books are returned without further request. However, if the book was not received within a reasonable time, advice to stop further payments would be issued to the relevant Postmaster with a direction to accept delivery of the book should it be presented. The possessor of the book would be advised simultaneously to present the book to the Postmaster or the Department. If the book was still unreturned, a "stop" card would be inserted in the punched card system to detect any orders cashed since the last day of entitlement, for there is always a possibility that the paying officer may not check his "stop" list when an order is presented for payment.

Committee
file
1964/1/73

362. Mr. Williams informed us that extension of the number of methods of payment, such as payment through a bank, would create difficulties for the Department, particularly as it was not receiving complaints about the ability of pensioners to negotiate cheques. Although Repatriation pensioners, whose pensions, in some States, are processed by the Department of Social Services, may receive their pensions' payments through the banking system, it was considered by the Department of Social Services that extension of payment of social services' pensions/through the banking system would involve a considerable amount of work for both the Department and the banking system. Mr. Williams said that an important consideration in the payment of Repatriation pensions through the banking system is that they are paid on a twelve-weekly basis. As many of the Repatriation pensions are small, it was said that the pensioner does not experience any great inconvenience by having to wait for twelve weeks to receive payment, whereas social service pensioners were said to be generally in need of their

Q's. 855,
856 and
859 to
861

payments to meet their daily commitments. Although payment through the banking system could dispense with the present payment advice to pensioners, the Department would double its clerical work by having to prepare a deposit slip and a schedule for the bank and, hence, would extend the length of the time cycle of processing payments.

Q's. 855,
856 and
859 to
861

363. Mr. Williams said that he doubted whether payment through the banking system would increase the speed of payment, but the costs involved in adopting the system were the chief consideration. In addition there would be the problem of payment continuing to a bank account in cases where the pensioner had died or left Australia without the Department's knowledge. These cases could involve the Department in additional costs in recovering payment, which would probably involve waiting until the granting of probate for the deceased's estate was obtained. The Treasury observer, Mr. Herring, commented that the Treasury had decided, in some cases, to discontinue the long-established practice of making payments directly to traders' bank accounts and in other cases, that such payment would be discontinued. The modern accounting machines now in use were said to make payment by cheque the preferred and most economic way of paying accounts.

Q's. 1008
to 1010

364. All social service benefits are subject to review. Beneficiaries are required to notify certain occurrences within stipulated periods under penalty of a breach of the Social Services Act. In addition, a beneficiary may, if he feels that a change is necessary, ask the Department to review his case. Superimposed over the personal action of beneficiaries in notifying changes, the Department conducts periodical and ad hoc reviews.

Exhibit
73/16

365. In the case of pensions, each pension is subjected to an annual review, at which time a review form is sent to, completed, and returned by

each pensioner, attached to the current file and then examined to detect any changes in circumstances. Arising from this review, some pensions are reduced or cancelled, whereas others are increased. During the year 1962/63, about 9,000 age and invalid pensions (involving an expenditure of £324,000 p.a.) were reduced or cancelled and 12,500 pensions (involving an expenditure of £297,000 p.a.) were increased. These reviews are conducted throughout the year, a certain proportion being performed each fortnight.

Exhibit
73/16
and
Q. 1012

366. The system of review for child endowment provides for the review to be made upon the eldest child reaching the age of 16 years. In a case where there is more than one child in the family, the reduction to the next lower rate is made from the information included on the payments' punched card. When the last or only child turns 16 years of age, payment is automatically discontinued and the final payment advice attached to the relevant file. In each instance of a child turning 16 years, the parent or guardian is asked if the child will be attending, or continuing to attend school and, if so, to apply for student child endowment. Additionally, personal requests are received from endowees (including institutions) for review of endowment upon a child entering or leaving their custody, care and control. The Department maintains liaison with the various Registrars-General to check on the deaths of children under the age of 16 years, and adjusts its records accordingly. In cases of change of custody of a child, the receiving party generally makes a claim for the benefit relating to the child concerned.

Exhibit
73/16 and
Q. 1011

367. Cases of unemployment, sickness and special benefits are kept under review constantly and payment ledger cards are authorised each week for continuity of payment of benefit. Unemployment beneficiaries are required to lodge a statement, including details

Exhibit
73/16 and
Q. 1015

of any income received during the preceding week with their local Commonwealth Employment Office.

Exhibit
73/16 and
Q. 1015

If no suitable employment is available, the Commonwealth Employment Service certifies this on the income statement and refers the papers to the Department of Social Services for assessment of continuing entitlement. For Sickness and Special Benefit, the review is dictated by the nature of the medical certificate and/or the special features of a particular case. A special benefit is paid to wives in Victoria who have been deserted by their husbands or whose husbands are in gaol, as there is no relief provided by the State Government, (as is provided in other States), for wives in these situations. The amount so payable continues for six months, when the statutory eligibility for widows' pension is attained.

368. Appendix No. 17 . illustrates the average time cycle involved in dealing with the examination and payment of new claims.

CONTROL MEASURES

369. The considerable sums of money disbursed by the Department to a large number of recipients, involving over thirty-six million individual benefit payments each year, necessitates the imposition of careful and adequate controls to ensure that only properly authorised expenditure is incurred. Additionally, in view of the need of beneficiaries to receive their entitlement regularly, controls must be imposed to reduce delays to a minimum, and to ensure that unnecessary interruptions to the cycle of payments do not occur.

Exhibit
73/16

370. Each action within the Department which results in the payment, variation, or termination of benefit is recommended by one officer and checked by another senior officer. As far as practicable, the accounting actions are finalised as near to the point of approval as possible. Officers signifying the authenticity of paying documents are

Exhibit
73/16 and
Q.1021

required to sight both the basic documents and the payment media for one time payments. In respect of continuing benefits, reliance is placed to a large extent, on an "ons" and "offs" control, reconciling each payment period with the previous one. On a given payments' day, a certain number of pensions for a certain value are current. During the fortnightly payments' cycle leading to the next payments' day, numbers of authorized payment master cards are received in the Accounts Branch from the benefits branch concerned for authorization of payment; and these master cards, in effect, become the "ons" for the next fortnight. Simultaneously, the various benefits' branches advise the Accounts Branches that some pensions are to be cancelled and these pensions become the "offs" for that fortnight. At a certain point in time, these "ons" and "offs" are summarized by machine methods and the totals, derived from "on" and "off" listing, are used to adjust the total which had applied on the previous pay day. The Department then expects that the next print of cheques will equal the balance that has been so established.

Exhibit
73/16 and
Q. 1021

371. Superimposed on the principle of at least two officers necessarily being concerned in every payment action is a detailed internal audit programme which is designed to be a deterrent to fraud from within the organisation, as well as being a check on the occurrence of errors.

Exhibit
73/16

372. Each stage of the various procedures is documented in detail, and supervisors are responsible for the smooth flow of the work through their sections. Sections are, therefore, kept to such sizes as will allow proper supervision. If a section is performing a repetitive type of operation, it is possible to supervise a large staff, but sections performing more varied duties require a greater degree of supervision and hence, tend to be smaller

Exhibit
73/16 and
Q. 1022

373. Statistical checks highlight any delays and expected and unexpected peaks in the volume of work being performed. A study of the volume, together with estimations of the time taken to perform the various operations, permits ready adjustments to staffing by way of increased staff or overtime, depending on whether the underlying trend is a long term or temporary movement. Such studies also reveal areas of work the volume of which has increased beyond or near to the maximum efficiency possible under the existing methods and, hence, require an organization and methods review to establish new methods. Exhibit 73/16

374. Procedures are so designed that work is completed to certain stages prior to being passed on for further action and that obstructions are reduced to a minimum or, alternatively, are highlighted for corrective action. A further basic principle adopted is that the procedure must at all times have as its main object the convenience of beneficiaries with particular reference to speed of operations. Exhibit 73/16

375. Insofar as efficiency control from the Central Administration is concerned, returns are submitted each four weeks which detail, in respect of the various benefits, the situation at the end of the period, the types of actions taken during the period and the numbers of claims outstanding. Details are also submitted which enable an assessment to be made of the overall situation as to the state of work within, and as between, each State. Details are also submitted monthly relating to expenditure incurred under the various appropriations. These are subject to Central Office investigation where necessary. Exhibit 73/16

WORK VOLUMES

376. Appendix No. 18. summarizes the volume of work current as at 30th June, 1963. Table No. 9 . indicates the number of variations which affected payment of age and invalid pensions during 1962-63.

TABLE NO. 9APPROXIMATE NUMBERS OF VARIATIONS AFFECTING
PAYMENTS OF AGE AND INVALID PENSIONS, 1962-63

(approximations made)

No. receiving pension 30.6.62		691,000
New claims received during year		86,000
		<u>777,000</u>
Less claims rejected	10,000	
pensions cancelled	12,000	
deaths	<u>44,000</u>	<u>66,000</u>
No. receiving pension 30.6.63		<u>711,000</u>

377. The net increase in the number of pensioners during 1962-63 was 20,130, raising the actual number of pensioners to 711,388 by 30th June, 1963. The transactions, shown above in Table No. 9, necessary to achieve this net increase exceeded 150,000. In addition, there were approximately 6,000 interstate transfers and numerous intrastate changes of address which had to be effected.

Exhibit
73/16

378. Appendix No. 10. illustrates the growth in the number of beneficiaries and accordingly the growth of the work of the Department and, in addition, the number of beneficiaries current during the period when the activities were performed by the Department of the Treasury.

CHAPTER 20 - PAYMENT OF SOCIAL SERVICES BENEFITS TO
ABORIGINES

379. Aborigines were specifically excluded from the operations of the Invalid and Old Age Pensions Act 1908. In 1942, this Act was amended to provide that any aboriginal native who was exempted from the laws relating to the control of an aboriginal native in his or her State, would qualify for a pension. The Department's determination of an aborigine's status under State laws was made by inquiry to the relevant States welfare authority. As a general rule, the States did not give exemptions to aborigines living on reserves, missions or Government settlements. An amendment in 1959 to the Social Services Act, which incorporated the Invalid and Old-age Pensions Act, extended benefits to aborigines residing in those locations.

Exhibit
73/23 and
Q. 1317

380. Section 137A of the Social Services Act, inserted in 1959, provides :-

"137A. An aboriginal native of Australia who follows a mode of life that is, in the opinion of the Director-General, nomadic or primitive is not entitled to a pension, allowance endowment or benefit under this Act."

381. This amendment operated from 2nd February, 1960. Apart from primitive nomadic aborigines, all aborigines became eligible for age, invalid or widows' pensions and for maternity allowances on the same basis as other members of the community. Apart from primitives and nomadic aborigines had previously been eligible for child endowment and unemployment and sickness benefits on a similar basis to other persons.

Exhibit
73/23

382. We were told that, for administrative purposes, the word "primitive" was a difficult problem and that the Department had decided not to adopt a hard and fast rule. The general policy is that where an aborigine is in fact residing on a government settlement, church mission or pastoral property in a remote area, (i.e., a controlled community) and the authorities in these controlled communities accept responsibility for his maintenance and welfare, he will not be regarded as nomadic or primitive so long as he remains within the sphere of influence of that controlled community. This policy applies, notwithstanding the fact that his life may, to a large extent, be governed by tribal laws and customs and that for part of the year he is absent on annual "walk-about".

Exhibit
73/23 and
Q. 1318

PENSIONS

383. The three main methods of payment of pensions to aborigines may be summarized as follows:-

1. Direct Payment - the pensioner receives payment of his pension either by cheque or by cashing an order at a Post Office. This method applies generally in New South Wales and Victoria and partly in other States and the Northern Territory.
2. Benevolent Home Method - this applies to pensioners in controlled communities. A portion of the pension is paid to the pensioner in cash and the balance to the authorities of the community for his maintenance and welfare. This method applies in Queensland, South Australia, Western Australia and Northern Territory.
3. Warrantee System - for individual cases, the pension is paid to some other person or authority to disburse on behalf of the pensioner. This was said to be the system least used in all States and the Northern Territory.

Exhibit
73/23

384. Wherever possible, payment of pensions, and other social service benefits, to aborigines is made directly to the recipient. This situation obtains in New South Wales, Victoria and the more closely settled areas in other States. The procedure for payment to aborigines being cared for in a controlled community is similar to the procedure for pensioners who are inmates of approved benevolent homes. A portion of the pension is paid to the pensioners as pocket money and the balance is paid to the authority controlling the settlement for the maintenance of the pensioner. Exhibit
73/23

385. Under the benevolent home method of payment, the Department sends a lump sum cheque each fortnight to the manager of the community together with a schedule containing the names of all the pensioners. At the foot of the schedule, the manager acknowledges payment of the appropriate amount of pocket money to each pensioner. He would also list the names of any deceased, absentee or new pensioners. Any adjustments are then made to the schedule of the succeeding fortnight. Exhibit
73/23

386. If an aborigine is absent from the settlement for 28 days, the Department suspends payment until his return or until notification is received from another controlled community that the aborigine has settled there. The aborigines do not usually stay on "walk-about" for very long periods so that arrears are paid as soon as their name returns to a schedule. The settlement provides rations for the aborigine prior to departure on "walk-about" - the cost of such rationing is deducted from the pension. The Department has learned that aboriginal pensioners tend not to go on "walk-about" as frequently as they did prior to becoming eligible for a pension. Q's. 1328
and 1331
to 1333

387. Welfare officers of the various Departments of Native Welfare, on their visits to controlled settlements, make a check of the number of pensioners on the Department's schedules against the Q's. 1328
and 1339

number of pensioners on the settlement. The absence of an aborigine from the settlement at the time of the welfare officer's visit would result in the check not being completely accurate. However, Mr. Prowse told us that he could not recall any occasion on which a welfare officer had notified the Department of any irregular behaviour in regard to payments to aboriginal pensioners on settlements.

Q's. 1328
and 1339

388. It was originally intended that the pocket money portion of pensions given to aborigines in controlled communities should be provided at the uniform rate of 33/- per week - (i.e., the then ruling rate for pensioners in benevolent homes). However, the Government agreed to the payment of lesser amounts than the ruling rate because of the irregular stages of development reached by the aborigines. Accordingly, pocket money varied from 10/- a week, in the more remote areas, to the ruling rate of 33/-. We were informed that the Department has intimated to controlled communities not paying the ruling rate that the aborigines' pocket money should be raised to the full rate as soon as practicable. All Government settlements now pay the full rate of pocket money. The minimum rate paid on Church missions is 20/-, whereas the maximum payable rate is now £2.2.0. We were told that 13 of the 45 missions were paying the full rate. The pocket money has also been increased on many pastoral properties and, in some instances, aborigines living on these properties receive direct payment of the full pension.

Exhibit
73/23

389. Where pocket money is less than that specified in Section 50 of the Social Services Act (i.e., £2.2.0) the maintenance portion of the pension is correspondingly higher. It was said that, in these cases, the authorities concerned have been told that they may use the surplus of the maintenance portion (if any) for the general welfare of the pensioners within their control. In many cases, this has enabled the provision of, and improvements to, housing and other facilities and amenities for

Exhibit
73/23 and
Q. 1368

pensioners. The settlement allows some of the maintenance money to accumulate, (after providing food and clothing to the aborigines), to provide housing for pensioners. An amount of between £1,000 and £1,200 was said to be sufficient to build 6 houses to accommodate 6 pensioners. Where houses have already been provided, the money is used to provide amenities, such as showers.

Exhibit
73/23 and
Q.1368

390. Section 43 of the Social Services Act provides that payments of pensions may be made to a warrantee on behalf of the pensioner. This method may be used for aboriginal pensioners, (either at the request of the pensioner or by a decision of the Director in the State concerned, on the advice of the Native Welfare Department), if it is considered that the pensioner needs assistance in spending his money or that unscrupulous people are imposing on him. In practice, the pensioner generally does not designate his warrantee.

Exhibit
73/23
and Q's.
1341, 1344

391. The Department does not maintain complete records of aborigines in receipt of pensions, as the deletion of the question, "Are you an aboriginal native?" from the claim forms eliminated the only method of identifying individual aboriginal pensioners. However, the number of aboriginal pensioners in controlled communities can be established, because of the group method of payment.

Q. 1345

MATERNITY ALLOWANCES

392. The general position is the same as that for pensions; wherever possible, payment is made directly to the mother.

Exhibit
73/23

CHILD ENDOWMENT

393. Where the children are living with their mother, endowment is paid to her in the normal manner. Most church missions and government settlements are "approved institutions" for child endowment purposes and, in such cases, endowment is paid at the rate of 15/- a week in respect

Exhibit
73/23

of each child who is an inmate. Where an institution supervises and assists aboriginal children who are not inmates, endowment is paid on the average number of children supervised and assisted during each endowment period. Payments to institutions are made each twelve weeks. Exhibit 73/23

394. An endowment is not payable to an aborigine in respect of a child who is wholly or mainly dependent upon the Commonwealth or a State for his support under Section 97 of the Act. This provision has operated in respect of child endowment since 1941, but has been rarely used. In most cases where it would otherwise apply, the children are inmates of endowed institutions. Exhibit 73/23

UNEMPLOYMENT AND SICKNESS BENEFITS

395. These benefits are payable to aborigines under the normal conditions of eligibility. In the case of unemployment benefit, they must be capable of, and willing to undertake, suitable work and must have taken reasonable steps to obtain such work. In the case of sickness benefits, they must have suffered a loss of income as a result of the incapacity for which sickness benefit is claimed. Exhibit 73/23

CHAPTER 21 - THE REHABILITATION SERVICE

396. The first developments in rehabilitation services provided by the Commonwealth occurred as a result of a recommendation made in 1941 by a Joint Parliamentary Committee on Social Security. It was recommended that vocational training be provided for selected invalid pensioners with a view to eliminating their need for an invalid pension and providing them with employment. In 1948, the Government decided to provide a comprehensive rehabilitation service to physically handicapped persons in receipt of certain social service benefits. This service commenced in July, 1948 under Cabinet approval. The necessary legislation was passed by Parliament later in 1948 and is embodied in Part VIII of the Social Services Act 1947-1961.

Exhibit
73/10 and
Q's. 528
and 531

397. The classes of people eligible to obtain benefits under the original Rehabilitation Service legislation were persons in receipt of or eligible for an invalid pension or a sickness or unemployment benefit. Since 1948, amendments to the Social Services Act have extended the number of eligible classes. In 1955, eligibility was extended to persons between the ages of 14 and 16 years who would be likely to qualify for an invalid pension on attaining 16 years of age, and persons in receipt of allowance under the Tuberculosis Act 1948. Provision was also made for "private cases" to receive rehabilitation treatment and training, on the payment of the costs involved. In addition, the 1955 legislation introduced provision for the granting of loans of not more than £200 to disabled persons to enable them to engage in a suitable vocation at home. Amending legislation in 1958 extended the eligibility to widow pensioners and persons receiving special benefit. The requirement, generally known as the "waiting period", (that a disability must have existed for not less than thirteen weeks prior to the claimant's acceptance for rehabilitation) was abolished in any cases in

Exhibit
73/10 and
Q. 534

Exhibit
73/10 and
Q. 534

which it could be expected that the disability would continue for at least 26 weeks. An amendment to the Act in 1960 was designed to strengthen the Commonwealth's position in respect of recovering the costs of rehabilitation treatment and training from awards for compensation or damages.

Exhibit
73/10 and
Q. 534

398. People are chosen for rehabilitation, (subject to the "waiting period" previously mentioned), if their disability is a substantial handicap to their engaging in suitable employment and, except in the case of a permanently blind person, is remediable. In addition, there must also be reasonable prospects that the person will be able to engage in a suitable vocation within three years after the treatment or training has commenced.

Exhibit
73/10

399. Treatment may include medical, dental, psychiatric and hospital treatment, physical training and exercise, physiotherapy, occupational therapy and pre-vocational training and other forms of treatment under medical supervision. Residential and day attendance centres have been established in all States except Tasmania. These centres are specially equipped to provide a balanced programme of remedial treatment and vocational assessment. Artificial aids and surgical appliances such as limbs, calipers and surgical boots, may be provided free of charge if the Department's medical officers so direct. Artificial limbs are generally obtained from the Repatriation Department's Artificial Limb and Appliance Centres, while other surgical aids are obtained from commercial suppliers.

Exhibit
73/12 and
Q's. 570 and
571

400. The first stage of the procedure for obtaining rehabilitation treatment is the referral of the prospective rehabilitee to the Rehabilitation Branch of the Department in the relevant State. Rehabilitees may be referred from both within and outside of the Department. Persons referred from within the Department are those who are receiving, or who are eligible to receive, an invalid or widow's pension or a sickness, unemployment or special benefit.

Exhibit

Outside bodies which may make referrals are hospital authorities, medical practitioners, almoners, social workers, voluntary agencies, government departments, trade unions, employer bodies and private individuals. By arrangement with the State Governments' Directors of Tuberculosis, the relevant treatment authorities refer tuberculosis patients to the Department at a suitable stage in their recovery. Organisations concerned with the welfare of young people aged 14 and 15 years bring suitable cases to the notice of the Rehabilitation Branch. All cases referred to the Rehabilitation Branch are entered on a pro forma which, together with any supporting papers, form the basic documents from which the case investigation begins.

Exhibit
73/12

401. In the case of an invalid pensioner, it is an automatic procedure that the Pensions Branch refers all cases of new recipients of invalid pension to the Rehabilitation Branch to examine the person's prospects of rehabilitation. The first document received by the Rehabilitation Branch is the medical referee's certificate. If the information provided in the certificate indicates clearly that the case is outside the scope of rehabilitation, the document is placed aside. No intimation is given to the individual concerned that he is being considered for rehabilitation at this stage. In the case of an outside referral, the Department first determines whether the individual concerned is statutorily eligible for rehabilitation benefits. This involves ascertaining whether the individual is already a pensioner or beneficiary, and if he is not, whether he is eligible for a pension or benefit. The procedure for examining prospective rehabilitees follows the same pattern for both types of referrals from this point.

Exhibit
73/12 and
Q. 580

402. A Senior Medical Officer or a Rehabilitation Medical Consultant determines whether the prospective rehabilitee's suitability for rehabilitation should be further investigated. First, the medical officer

Q. 577

makes an assessment of the type of the disability and the known history of the disease. Medical experience indicates that some disabilities will deteriorate regardless of the form of rehabilitation used, (and this type of case may well not be accepted), and that other disabilities will carry a long or permanent disablement with them. It was said that a fine degree of medical judgment is required to determine the degree of disability in these cases of long disability, as some cases progress rapidly and others, although their progress will be very slow, may have a future working life of five or ten years. Any cases with a rapid type of deterioration must be rejected.

Q. 577

403. The other considerations apart from natural history of the disease concern the patient's general intelligence. In some instances, background social information is available and is taken into consideration by the medical officer. Dr. Longmuir stated that a careful examination of the patient's pre-illness history, both social and work, is most important. For instance, in the case of a head injury, it may be easy to attribute the patient's dullness and lack of intelligence to his injury when, in reality, the person was retarded prior to the injury. Social environment must be fully considered, for, in a family where internal dissensions exist, rehabilitation may be defeated in the home. Dr. Longmuir emphasised that a case would not be rejected for this factor alone. A close examination of a person's work history is an important indicator of the endeavour likely to be shown by the patient and the possible developments of new abilities and skills. If a man has an itinerant work history or if his work history shows that a decreasing degree of skill has been necessary to the performance of his jobs, the addition of a severe disability to the deterioration of morale already apparent is likely to militate against a successful rehabilitation.

Q. 577

404. If no clear prima facie evidence exists to discard the case, or return it to the pensions' files, the Department writes to the individual concerned explaining the Rehabilitation Service and its functions. The person is advised of the possibility of assistance and is requested to advise the name of his medical practitioner and to give permission to obtain his clinical notes and medical reports from his medical practitioner or from the hospital which treated him.

Exhibit
73/12 and
Q's. 535
and 580

405. When the relevant clinical notes and medical reports have been obtained, they are examined by the Department's medical officers. If, on that information, the medical officers are unable to determine clearly whether assistance cannot be given by rehabilitation, the person concerned is usually requested to make a visit to the Department's State Headquarters for an interview and examination by the medical officer and for a vocational interview and, perhaps, an interview by an officer of the Commonwealth Employment Service. If necessary, the vocational guidance testing is also performed during the individual's visit. In some instances, a period of assessment in a rehabilitation centre would be arranged to assist in determining the suitability for rehabilitation of the individual concerned. All available information about the prospective rehabilitee is assembled and an assessment is made by an Evaluation Group, (consisting of the Senior Medical Officer or Rehabilitation Medical Consultant, Vocational Counsellor, a representative of the Commonwealth Employment Service and, as necessary, a social worker), as to whether the Rehabilitation Service can assist the individual concerned. The decision to accept or reject the Evaluation Group's recommendation is made under Section 135(1)(a) of the Social Services Act by either the Directors of Social Services, or the Assistant Director (Rehabilitation) in all mainland States (no such position exists in Tasmania) or the Administrative Officer (Rehabilitation), Tasmania, New South Wales and Victoria.

Exhibit
73/12 and
Q's. 535
and 580 and
Committee
file 1964/
1/73

406. After acceptance of the case, an outline programme of rehabilitation is framed by the medical officer who supervises the case throughout its

Exhibit
73/12 and
Q's. 535
and 536

duration. The primary problem is to assess the total handicaps of the rehabilitee (i.e., both immediate and allied problems). Facets of the case which are considered are:- latent or residual abilities and the possibility of enhancing these by education and re-training; social background and circumstances and the ways they have been affected by the disability; and past work history in relation to the present disability. The Department endeavours to determine, at the earliest possible opportunity, whether the rehabilitee will return to his former work. Thus, not only is the Department concerned with restoring the rehabilitee's function and confidence, but it is also concerned to re-train him in a medically suitable new job. The outline programme usually involves a period of remedial treatment in the Department's rehabilitation centre. The treatment is under the supervision of the Senior Medical Officer or a Medical Consultant.

Exhibit
73/12 and
Q's. 535
and 536

407. Regular case conferences are held to assess progress, adjust the treatment plan and determine the vocational objective. Dr. Longmuir informed us that the outline programme can never be a perfect assessment of the case as many unpredictable factors are encountered during the course of the case and frequently it is necessary to exercise judgments drawn from the medical officer's knowledge of similar cases. He said that, on some occasions, variations in the programme could result from the medical officer's underestimate of the degree to which the patient's disability can improve. On other occasions, the patient's loss of confidence and morale have been over-estimated and in some instances, latent abilities emerge which, with repetitive training, may be enhanced. On the other hand, some cases are terminated during the course of rehabilitation because the individual concerned has deteriorated to the total invalid class. It was said that the average length of time spent by residential patients in rehabilitation centres in 1962-63 was 24 weeks, and for day-attendance patients, 19 weeks.

Exhibit
73/12 and
Q's. 537
to 539
and 555

Exhibit
73/12 and
Q's. 537
to 539
and 555

408. In cases of severe psychiatric illness, it is difficult to determine whether the person is returned to normalcy. One yardstick which is used to determine the effectiveness of the rehabilitation of the psychiatric patient is whether the person is able to live and work in the community in reasonable balance with his fellow men and his environment. The rehabilitation centre obtains clinical notes in a psychiatric case from the primary treating body, which may be a doctor, hospital or mental institution. If the primary treating body has not conducted both clinical and vocational psychometric tests, the rehabilitation centre performs these tests itself. A further aid is the social history of the patient which is usually a compilation by the social worker based on the patient's behaviour in his home or work. From this accumulated knowledge, the rehabilitation centre is able to determine when the patient was last perfectly normal, when and how quickly he commenced to deteriorate and the date of the previous deterioration. Generally, having the patient in the rehabilitation centre enables an observation to be maintained for 5½ to 6 hours daily. However, in psychiatry, even with all these aids, it was said to be a difficult task to predict with certainty a patient's rehabilitation.

Q's. 540
and 541

Q's. 540
and 541

409. The determination of the employment target requires consideration of the need for vocational training, the ability of the individual to successfully complete such training and the medical suitability of the employment objective. A decision to provide training involves full consideration of the rehabilitee's educational and industrial background, personality, work attitude, the results of vocational guidance or aptitude test, vocational assessment whilst in the rehabilitation centre, the physical requirements of the occupation for which training is proposed and prospects of placement in the selected vocation.

Exhibit
73/12

416. The medical officer was said to make his determination, largely on his experience of past cases, of whether a disability is a substantial handicap to engagement in suitable employment. He maintains close liaison with the vocational employment expert in his team on this aspect and, in addition, the medical officer should have a reasonable knowledge of the degrees of disability which are acceptable for full-time work throughout the community. The intangibles inherent in any case, of not being certain of the developments possible in the case, must also be considered.

Q. 552

411. Vocational training is generally made available as class instruction at technical schools, private business colleges or, in a limited number of cases, universities. On-the-job training, usually for not more than three months, is another form of training. This method was said to have been developed in conjunction with, and with the full support of the Australian Council of Trade Unions. The aim of on-the-job training is to give the individual, after long periods of disability an opportunity to familiarize himself with industrial conditions and tools and to learn the basic elements of the job that he may have to perform. Mr. Hill told us that, in every instance of on-the-job training, the complete acceptance by the employer and complete concurrence of the union, through its State and Federal Secretaries, is obtained. The patient undergoing this period of training is regarded as a trainee under the Department's control. The rehabilitee continues to receive a rehabilitation and training allowance from the Commonwealth during this period. We were informed that, in the majority of instances of this form of training, the rehabilitee satisfactorily proves his capacity to perform the work and is given a position by the employer at the end of the training period.

Exhibit
73/12 and
Q's. 573
and 601Exhibit
73/12 and
Q's. 573
to 575

412. In appropriate cases, training by correspondence courses can be arranged with the rehabilitation centre in each State, but it was said that class attendance and on-the-job training were more desirable methods of training. The rehabilitation centre may commence correspondence courses with patients who are receiving treatment in the centre as part of their daily programme of rehabilitation. This early commencement is possible because the patient's attendance of five or six hours each day at the centre may not be fully taken up with remedial treatment. In addition, the overall duration of the period in which the patient is under the care of the centre as a rehabilitee is lessened.

Exhibit
73/12 and
Q's. 573
to 575

413. As at 31st December, 1963, instruction was being provided in 59 different courses, some of the more popular courses being typing, accountancy, cabinet making, radio and television servicing, clerical subjects and general education to intermediate or leaving certificate level. Some training of a pre-vocational nature and, in certain circumstances, vocational training, is provided in conjunction with the treatment programme in rehabilitation centres. Books, equipment and tools of trade up to the value of £40 may be supplied for training purposes or to enable the person to engage in a suitable vocation. When a patient is assisted in this way to engage in a suitable vocation, the repayment of the costs involved is made after the commencement of employment, usually on a weekly instalment basis.

Exhibit
73/12 and
Q. 572

414. The Rehabilitation Service endeavours to avoid any commitments to specific types of employment at the beginning of the period of rehabilitation. It was said that the most important question is to decide whether the patient can do any form of work and then take the plan a little further by suggesting that he may be able to work at a particular level. The plan is gradually developed by making the level of work more and more specific as the case progresses until a point just prior to maximum recovery is attained. At this stage, a more specific assessment of the patient's

Q. 553

capacity can be made. Dr. Longmuir indicated that the great value of rehabilitation schemes is the matching of medical objectives, from the point of after-care to the point of an early attack on the future employment problem. He added that, prior to the institution of rehabilitation services, the patient was often treated for many months for a certain type of disability, meticulous attention being given to his recovery, but no stimulus to him to consider the possibility of returning to work subsequently. It was said that one measure which the Rehabilitation Service has to take is to guard against a deterioration of morale and the development of an invalid outlook in disabled people.

Q. 553

415. On completion of the period of rehabilitation, some rehabilitees return to work with their previous employer, while others obtain jobs on their own initiative. The remainder are referred for placement to the Physically Handicapped Persons' Section of the Commonwealth Employment Service, with which a close liaison is maintained. At an early stage in the rehabilitee's progress, often before the person is accepted for rehabilitation), the rehabilitation centre contacts the person's former employer and explains his attitudes to disabled persons. Although no written guarantees can be obtained from the employer, he is asked informally if he will provide a job for the rehabilitee if the rehabilitation is successful and, in many cases, promises of jobs are obtained at this time. In other cases, an employer may be more liberal and offer to accept a former employee, whose disability is too severe to enable him to occupy his former position and employ him at another suitable level. Employers are continually notified of the progress of former-employees undergoing rehabilitation treatment.

Exhibit
73/12 and
Q. 594

416. Mr. Hill said that employers generally are realistic in their approach to employing handicapped people, although there are still some employers who tend to be unfavourable towards visible disabilities, such as a limbless person. A considerable degree of co-operation has been received from trade union officials in obtaining positions for disabled persons. The Department does not receive formal reports on the degree of acceptance of disabled persons by their fellow employees but if felt that disabled persons are readily accepted by their fellow employees. Dr. Longmuir indicated that epilepsy is one of the few disabilities remaining the community to which an unfavourable attitude is attached but that this attitude would disappear through general community education. He emphasised that the Department must exercise care to ensure that the employer is sent a well-assessed person, otherwise a considerable degree of harm can be done by bad rehabilitation and by not giving the employer a true indication of a man's abilities. To this end, the Department considers it will be necessary to improve its techniques of informing a sympathetic employer of the rehabilitee's capabilities and capacity to perform various types of work. Employers are usually requested to show considerable tolerance towards the rehabilitee in his first weeks of employment while he regains confidence.

Q's. 588
to 589

Q's. 588
to 589

417. After being placed in suitable employment, the Rehabilitation Service retains contact with each rehabilitee for a period of six months to determine whether he is still in the job, is coping satisfactorily, and that the employer is satisfied with him. At that point, the case is usually closed. We were informed that, on one occasion in the past, the Department conducted a survey of the cases in its records of rehabilitees placed in employment. This survey was designed to take the actual placements made over a period of two years and then to examine the Department's records at two subsequent points in time, four years and six years later. The purpose

Exhibit
73/12 and
Q. 586

of the survey was to determine the number of persons who returned to the Department as invalid pensioners, sickness and unemployment beneficiaries and recipients of tuberculosis allowance, the length of time for which they had been receiving the pension, benefit or allowance again, and whether they were likely to remain in receipt of a benefit temporarily or permanently. The figures at the end of the four year interval indicated that less than 5 per cent. of the placements appeared to be permanent recipients of benefits. At the six years' interval, the percentage of permanent recipients had increased to slightly over 5 per cent. The conclusion drawn from the survey by the Department was that the wastage of rehabilitees placed in carefully selected employment was relatively small over the period.

Exhibit
73/12 and
Q. 586

418. One problem involved in instituting a regular follow-up of persons placed in employment is that some of the Department's patients become extremely dependent on the Rehabilitation Service and, on occasions, were said to experience considerable difficulty in freeing themselves of such dependence. It was said that in some cases, it is possible that receipt of a circular from the Department requesting advice on their current situation might re-kindle the dependency in the rehabilitee. It is the Department's view that rehabilitees should survive on their own merits in the community and learn to live without the assistance of the Rehabilitation Service.

Q. 587

419. Dr. Longmuir informed us that State Hospital Commissions and voluntary bodies increasingly wish to establish their own rehabilitation facilities. These facilities may treat all types of disabilities or they may cater for a number of disabilities (as does the Department's service), or they may be restricted to special types of disorders. A centre recently opened in Victoria by the Hospitals and Charities Commission was said to concentrate on short-term cases and injuries,

Q. 547

particularly those involving workers' compensation. These facilities were said to be possible because of a closer affiliation with teaching hospitals. In New South Wales, some teaching hospitals have set up their own rehabilitation units. These units tend to concentrate on the remedial side of rehabilitation work whereas the Department's work in this field is directed towards final recovery and return to work and for this reason, Dr. Longmuir regarded the Department's service as a more complete and progressive service than those offered by the States. On the other hand, several limitations in the Commonwealth's legislation permit the State institutions to treat a number of disabilities and age groups not possible under existing Commonwealth legislation.

Q. 547

420. Dr. Longmuir said that an ideal development in rehabilitation work over the next decade would be a situation where the Commonwealth Rehabilitation Service's long-term work balances the short-term work performed in the States. A possible danger in the future was that the Commonwealth and State Governments may find themselves competing for similar types of disabilities during a period when medical labour is in short supply. To avoid this situation, a system of co-ordination and liaison may be required. A useful service which could be performed by a central authority on rehabilitation services would be to produce morbidity statistics, to indicate the extent of various types of disablement and disability not possible under the present system.

Q's. 547
to 549

421. Mr. Hill informed us that adult blind persons are eligible for rehabilitation benefits. The Department's role is to co-ordinate its facilities for assisting blind persons with those of the Institutes for the Blind. If an individual is being adequately cared for by the Blind Institute and there are no additional facilities which the Department can make available, the Blind Institute will continue to conduct the training.

Q. 562

of the person. Two simple forms of training offered by the Department for blind persons are training in switchboard operation and typing. Q. 562

422. The Department is endeavouring to offer a challenge to commerce and industry to accept a fair share of responsibility for employment of rehabilitated persons by a constant public relations programme through the press, radio and television. The best method of publicising the Rehabilitation Service was said to lie in personal contact with employers, including invitations to them to visit the Department's rehabilitation centres. In this regard, regular programmes of visits are arranged for groups of employers. Two recent campaigns conducted by the Junior Chambers of Commerce entitled "Employ the Handicapped", were said to have aided the Department's work considerably. The second of these campaigns had been arranged with the full co-operation of the Departments of Social Services and Labour and National Service. Q. 598

423. In New South Wales, Victoria and Queensland, a Disablement Placement Officer has been attached to the Department's Rehabilitation Service by the Commonwealth Employment Service to handle the Department's cases. In the smaller States, it was said that a full-time officer was not warranted and hence, as the need arises, the Department utilizes the services of the Disablement Placement Officers of the Commonwealth Employment Service. These officers work in close liaison with the vocational counsellors of the Department of Social Services in seeking opportunities for employment of disabled persons. Q. 599

424. Throughout the period of treatment, the patient continues to receive the pension or benefit for which he was qualified when accepted for rehabilitation. When vocational training commences, the pension or benefit is suspended and is replaced by a rehabilitation allowance. This allowance is Exhibit 73/12 and Q. 576

equivalent to, and calculated in the same manner as, an invalid pension. A training allowance of 30/- per week is also paid. Where it is necessary for persons to live away from home while undergoing training, provision is made for living-away-from-home allowances to be paid. In the case of a single trainee, this allowance is £11.0 per week for the first 8 weeks. Married trainees with no dependent children receive £3 per week for the first 8 weeks and £11.0.0 per week thereafter, whilst married trainees with one or more dependent children receive £3 per week during the full period of training. The cost of the rehabilitee's fares is met throughout the period of rehabilitation. When a patient's remedial treatment (at the rehabilitation centre) has finished, he is eligible for a living-away-from-home allowance during the period of training, if no suitable training centre exists in his country town.

Exhibit
73/12 and
Q. 576

425. In Tasmania, the Commonwealth makes use of a State Government centre which is an adjunct to the Royal Hobart Hospital. The Department has its patients admitted to the hospital where they are supervised by the Department's Medical Consultant. The Department pays a fee of £3 per day per resident. We were advised that while the cost of the Tasmanian method of rehabilitation in comparison with the usual Commonwealth method had not been measured, a strict comparison of the components of the two costs would not be equitable. This was due largely to the fact that the Tasmanian centre was similar to the type of convalescent unit generally associated with large hospitals. These units were said to cater for "straight forward" fractures and injuries, involving a stay of a short duration. Another factor was said to be the greater number of, and more diversely skilled staff employed by the Department in its own centres, a matter which would greatly affect the comparison of costs. It was stated that the number of cases in Tasmania is not

Exhibit
73/12 and
Q's. 564 to
567 and
569

sufficient to warrant the Department setting up a centre there, in view of the fact that the State's existing centre has the capacity to handle the Department's cases. Some long-term patients are taken from Tasmania and placed in Victorian centres.

Exhibit
73/12 and
Q's. 564 to
567 and
569

426. Statistics relating to the treatment and training of rehabilitation patients for selected years between 1952-53 and 1964-65 are shown in Appendix No. 19. Figures for the years 1963-64 and 1964-65 have been included for comparative purposes only. Mr. Hill explained that the number of cases cancelled in 1952-53, (678) in comparison with the number of cases cancelled in 1962-63, (329) was due largely to a change in the procedure for the acceptance of cases. One of the new procedures was to regard those cases which are placed in rehabilitation centres for a short period of observation and assessment while a decision is being made on whether they are suitable cases for rehabilitation, as being "assessment" cases only. The average case load of the centres over the period should thus be assessed from Section 5 of Appendix No. 19., which indicates that there were 441 cases in 1952-53 as against 704 cases in 1962-63. In New South Wales, Victoria and Queensland, there were some prospective cases awaiting entry to rehabilitation centres as at June, 1964, but in respect to South Australia and Western Australia, this position was said to be satisfactory. It was also explained that the figures in Section 2 of Appendix No. 19., i.e., the number of rehabilitees placed in employment, should be read in conjunction with the fact that not all persons placed in employment will have commenced their period of rehabilitation in the financial year in which they were employed.

Exhibit
73/12 and
Q's. 558 to
561

Exhibit
73/12 and
Q's. 558 to
561

427. Mr. Hill informed us that he had been assured that the employment of physically handicapped persons does not affect accident rates in industry. It is on the accident rate in a particular area of

Q. 601

industry that the rates of workers' compensation are assessed for that area. A survey conducted in the United States of America was said to have shown clearly that physically handicapped employees were less prone to accidents than able-bodied employees. It was stated that the probable reason for this situation was that the handicapped individual has learned to live and to handle his disability and is therefore extremely careful to manage himself.

Q. 601

Under the provisions of the Social Services Act 1947-1964, the Department is able to issue a notice of its intention to recover the costs of rehabilitation in an action for workers' compensation or for damages at common law. This notice of intention is subsequently followed by a notice of the amount claimed. In the event of an award being made, payment is generally made by the insurance company directly to the Department, in discharge of the liability. In respect of workers' compensation, recovery by the Commonwealth is only possible to the extent that this is permissible under the particular workers' compensation legislation in force in the State concerned. The moneys so recovered (about £30,000 per annum) are credited to the National Welfare Fund. In addition, the costs incurred in the rehabilitation of "private" patients are recoverable. In 1964-65, about £14,500 was so recovered. The number of private cases varies between States and from time to time, but has been as high as 10 to 15 per cent. of the total number of cases in some centres and the percentage is expected to increase.

Q. 542

Q's. 542
to 545,
620 and
625 and
Committee
file 1965/
1/73

429. The rehabilitation centres perform work for commercial firms and other Commonwealth Departments for remedial and assessment purposes. The Department charges the standard rates applicable for the relevant type of work. We were informed that the Central Office did not have any figures relating to the value of this work at the time of our Public Hearing as it was not a normal

Q's. 632
to 637 and
Committee
file 1964/
1/73

statistical return from the State Branches of the Department. The receipts from this work (which we were informed subsequently, in the eleven months to 31st May, 1964, totalled £3,590) were paid into an account and were held in trust for benefit of rehabilitees and were dispersed for additional amenities. The Treasury observer, Mr. Herring, advised us that the operation of this account had been the subject of correspondence between his Department and the Department of Social Services. The Crown Solicitor had advised the Department of the Treasury that the moneys received from this form of activity are Commonwealth revenue and that if they were to be used for the existing purposes, adjustments to the legislation would be necessary.

Q's. 632
to 637 and
Committee
file 1964/
1/73

430. Dr. Longmuir told us that one of his main interests had been the development of motivation amongst staff and patients and group morale. To this end, many therapists had found considerable interest in the Department's work in that the practical objective of their medical care was advanced to a point where the patient is able to perform work or possesses an improved capacity for self care. The rehabilitation centres were said to satisfy many medical and ancillary medical staff because rehabilitation work makes them share experiences and work as a group. He said that only a very few of the Department's therapists leave the Department because of an expressed dislike of the work and that the turnover of Medical Consultants, who are private practitioners, is very low.

Q's. 632
to 637 and
Committee
file 1964/
1/73

Q. 631

431. In the Central Office of the Department, the general administration and overall operations of the Rehabilitation Service are under the control of the Assistant Director-General, Rehabilitation, Homes and General Branch, who is responsible to the First Assistant Director-General (Policy). Medical aspects of the Rehabilitation Service's work are the responsibility of the Principal Medical Officer who provides technical guidance to, and supervision of, Senior Medical

Exhibit
73/12

Officers in the State Branches, ancillary medical services and medical casework management. The Principal Medical Officer and the Assistant Director-General (Rehabilitation, Homes and General) work in close consultation and liaison. Other Central Office staff engaged in rehabilitation work are the Director (Rehabilitation), the Chief Vocational Officer and two Investigation Officers. Exhibit 73/12

432. At the State Administration level, a Rehabilitation Branch under the control of an Assistant Director (Rehabilitation), responsible to the Director of Social Services, performs the administration of the Rehabilitation Service. The State Rehabilitation Branches are directly concerned with all aspects of casework and the operation of the rehabilitation centre or centres. There is one such centre in each mainland State except Victoria which has two. In the mainland States, a Senior Medical Officer is responsible for medical supervision and management of cases and the work of medical ancillary staff. The Senior Medical Officer operates in close liaison with the Assistant Director (Rehabilitation). The number of approved positions in the Rehabilitation Centres and the Rehabilitation Service Centres as at 30th June, 1965 are shown in Appendix No. 20. Exhibit 73/12 and Q. 556

CHAPTER 22 - INVESTIGATIONS AND PROSECUTIONS FOR
OFFENCES AGAINST THE SOCIAL SERVICES ACT 1947-1964

433. Prosecutions for offences against the Social Services Act may be launched under Section 139 of the Act, which reads:-

- "139 - (1.) Proceedings for an offence against this Act may be commenced at any time within three years after the commission of the offence.
(2.) An offence against this Act shall not be prosecuted without the written consent of the Minister or the Director-General or a person authorized in writing by the Director-General to consent to prosecutions for offences against this Act".

Exhibit
73/6

434. We were informed that, in practice, no prosecution is launched without the approval of the Minister or the Director-General. Written authority to consent to prosecutions has been given by the Director-General to the Directors of Social Services in each State Branch. However, the Directors may not give their formal consent until they have received from the Director-General, approval to prosecute. Mr. Tritton explained that this procedure was introduced to lessen the amount of time involved in preparing an action to prosecute. The former procedure involved the Directors of Social Services in submitting to the Director-General proposals for actions for approval to prosecute. When this approval had been obtained, the Director of Social Services in the State concerned forwarded the case to the Deputy Crown Solicitor in that State for preparation of the information or complaint. This was then returned to the Director-General for his signature. The new procedure retains the necessity to obtain the Director-General's approval to prosecute but eliminates the time-consuming step of requiring his signature for the legal documents. It was said that the length of time that the threat of prosecution has existed for the individual is one of the factors considered by the Director-General in reaching a decision to

Exhibit
73/6 and
Q. 502

prosecute. It was for this reason that the length of time involved was shortened.

Exhibit
73/6 and
Q. 505

435. The sections of the Act which provide for a penalty for non-compliance, and for a breach of which a person may be prosecuted, are 16(2.) and (3.); 17(2.); 30B(2.); 44; 45(1.), (2.), (3.), (6.) and (8.); 65B; 74(1.), (2.), (5.) and (6.); 130(1.) and (2.); 138(1.); and 141. Most prosecutions are instituted under Section 138 which refers to false statements in claims, review forms and income and property statements. The balance of prosecutions occur mainly under Sections 45(2.), 74(2.) and 130(1.), which relate to failure to notify the receipt of income which affects the payment of a pension or a benefit. The sections relating to offences by persons other than claimants for, or recipients of, pensions or benefits have been invoked on only a small number of occasions in recent years, mainly against employers who have deliberately provided false information about their employee's wages or periods of employment.

Exhibit
73/6

436. A civil remedy has been provided in Section 140(1.) of the Act for the recovery of overpayments:-

"140 - (1.) Where, in consequence of a false statement or representation, or in consequence of a failure or omission to comply with any provision of this Act, an amount has been paid by way of pension, allowance, endowment or benefit which would not have been paid but for the false statement or representation, failure or omission, the amount so paid shall be recoverable in a court of competent jurisdiction from the person to whom, or on whose account, the amount was paid, or from the estate of that person, as a debt due to the Commonwealth."

Exhibit
73/6

437. Section 140(1.) is used to obtain a judgment order for any balance of an overpayment remaining after a reparation order has been obtained under Section 138 or where it is desired to recover or secure the debt in cases in which prosecution has not been undertaken. Section

Exhibit
73/6 and
Q. 505

138 provides a penalty of £50 or an alternative of imprisonment for six months for any persons giving false information to the Department in connection with a claim. Exhibit 73/6 and Q. 505

438. The Directors of Social Services have been advised by the Director-General that although the Social Services Act was amended in 1960 to give the Director-General power to authorise a person to consent to prosecutions (Directors have been so authorised), an assurance had been given to the Parliament at the time, that approval to institute proceedings would be given only by the Minister or by the Director-General. It was said that there is, therefore, a clear indication that every breach of the Act is not necessarily a case for prosecution and that as the general character of the Act is benevolent, a benevolent attitude to its administration should be adopted. Directors of Social Services were advised that prosecution should not, in itself, be used as a means of securing recovery of an overpayment, and that other means are generally available for this purpose under Sections 140(1) and (2) of the Act. Exhibit 73/6

439. Where it appears that an offence has been committed in such circumstances as to warrant consideration of prosecution, a full investigation is made and a statement obtained from the alleged offender who is given the opportunity to provide an explanation. An attempt is made to elicit any facts which, although they might substantiate a possible conviction could also tend to make the laying of charges undesirable. Upon completion of enquiries and after verification of all relevant facts has been obtained, the Director of Social Services follows the procedure set out in Paragraph Exhibit 73/6

No. 434 above. Where there has been an offence, but it is decided not to prosecute because the Department is satisfied there has been no intent to defraud, the pensioner or beneficiary is warned of the seriousness of his action and advised to exercise proper care in future. Exhibit 73/6

440. Appendix No. 21 indicates the number of cases submitted to the Central Office in which prosecution has been approved in the period between 1st July, 1960 and 30th June, 1965. The figures abstracted as at 30th April, 1964, were the figures current at the time of Public Hearing. The figures as at 30th June, 1965 are included for comparative purposes only. Exhibit 73/6 and Committee File 1964 1/73

441. Appendix No. 21 shows that the largest category of prosecutions has been in respect of unemployment and sickness benefits. Mr. Tritton informed us that this is generally the result of the beneficiaries not disclosing the full amount of income in their weekly income statement. He considered that there is a greater possibility of an able-bodied person drawing unemployment benefit but obtaining other earnings, than there would be in the case of an age or invalid pensioner. Q's. 510 and 511

442. Mr. Tritton said that he was not satisfied that the Department was detecting most of the breaches of the Act, although the methods of detection and procedures used were improving. He added that he would be reluctant to see more steps taken to detect offences as the Department may be prying into the affairs of innocent people. Q's. 512 and 516

443. Mr. Murphy stated that some of the State Branches of the Department maintain a record of the incidence of cheques which go astray. He said that, in respect of the bulk of the cheques issued by the Department, according to the principles set out in the Treasury Instructions, the property in the cheque passes to the payee when the Department posts the cheque. If the cheque is subsequently forged or used without authority, the payee should take action on his or her own account to recover the proceeds. However, under the terms of the Treasury Instructions, the Department of Social Services is permitted to do this work on behalf of the payee if the payee so requests. He said that the Department generally recovers the moneys in these cases and in no case would the payee fail to receive the normal payment. Q's. 514 and 515

CHAPTER 23 - ADMINISTRATION OF SOCIAL SERVICES UNDER
RECIPROCAL AGREEMENTS WITH OTHER COUNTRIES.

444. Australia has negotiated reciprocal agreements for the payment of social service benefits with New Zealand and Britain. These reciprocal agreements, which relate to persons who have changed their country of residence either temporarily or permanently, have been incorporated in legislation in the form of Statutory Rules. The relevant Statutory Rules are set out in Chapter 4.

Exhibit
73/14 and
Q's. 898
to 900.

445. We were informed that, in general, people moving from one country to another for permanent residence qualify for the appropriate benefits of the new country under the conditions applying to residents of that country. In the case of permanent transfers, the beneficiary's previous country of residence, advises the new country of the date to which the benefit has been paid and any other relevant information necessary to establish eligibility for the appropriate benefit in the new country. This country then commences to pay the person the relevant benefit. Where a person, who previously resided in another country without the assistance of social service benefits, makes a claim for benefit in the new country, the country of former residence provides, on request, any relevant information which will assist in determining eligibility for benefit in the new country. No financial adjustments, whether in respect of the cost of benefits or administrative expenses, are made between the three countries concerned in the case of permanent transfers of residence. As at 30th June, 1964, the Department was paying 8,815 Australian pensions to British emigrants, and Britain was paying 3,414 pensions to Australian emigrants. Most of these pensions were said to be age pensions.

Exhibit
73/14

Exhibit
73/14 and
Q. 924

446. The main exception to the general rule that persons moving from one country to another qualify for the appropriate benefits of the new

country under the conditions applying to residents of the new country is in respect of permanent British emigrants to Australia. British people retain their entitlement to their country's contributory pension. The Australian Government supplements the British pension to raise it to the appropriate levels of Australian pensions. Another exception to the general rule is in respect of New Zealand age pensioners who are between the ages of 60 and 65 years. The qualifying age for the New Zealand pension equivalent to the Australian age pension is 60 years, whereas in Australia, it is 65 years. A specific provision has been inserted in the reciprocal agreement with New Zealand that a man going from Australia to New Zealand and applying for an age benefit by virtue of the agreement with New Zealand cannot obtain the New Zealand benefit until he attains the age of 65 years.

Q. 901

447. Temporary transfers are regarded as being changes of residence of less than 12 months. In such cases, the general rule is that the home country authorises the country of temporary residence to pay the beneficiary the home country's benefit on an agency basis. Financial adjustments in respect of the amount of benefits paid are made between the countries concerned at appropriate intervals. In the case of Australia and New Zealand, the adjustment is made at quarterly intervals, whereas Australia receives reimbursement at monthly intervals in respect of benefits paid on behalf of the British Government.

Exhibit
73/14 and
Q's. 907
and 908

448. If an age pensioner travelling to Britain from Australia reaches Britain within 13 weeks of departure from Australia, he receives payment of the age pension for that period in addition to the period of temporary residence. If, on return to Australia, the voyage is completed within 13 weeks, the pensioner is paid for the period of the return voyage. There are no financial adjustments between Australia and

Exhibit
73/14 and
Q's. 907
and 908

New Zealand in respect of the administrative expenses incurred. However, Australia receives commission in respect of payments made on behalf of Britain. (see also Chapter 12.)

Exhibit
73/14 and
Q's. 907
and 908

449. The Australian benefits payable to persons temporarily resident in Britain are paid only by the Australian High Commissioner's Office, London. It is for this reason that Australia receives commission for payment of British benefits to British people temporarily resident in Australia. Payment of benefits, including Repatriation benefits, by the Australian High Commissioner's office are made by cheque. The numbers of beneficiaries temporarily resident in Britain as at 30th June, 1964 were 717 age, 44 invalid and 71 widow pensioners; 4 families were in receipt of child endowment. Payments were commenced for 1,419 cases during the financial year 1963-64. In addition, 379 voyage payments were made.

Exhibit
73/14 and
Q's. 921 and
922

450. We were informed that it is sufficient for an Australian travelling to Britain, whether permanently or temporarily, to inform an office of the Department of Social Services that he is travelling to Britain to ensure that the Department takes the appropriate action on his behalf. If the beneficiary is travelling to Britain permanently, the Department makes arrangements for payment of the benefit during the period of the voyage and for eligibility for British benefits to be established on arrival. In cases of temporary absence in Britain, the Department arranges for payment during the period of the voyage and for payments to be made, through the Australian High Commissioner's Office in London, during the period of residence in Britain

Q. 926

CHAPTER 24 - THE ADMINISTRATION OF GRANTS UNDER THE
AGED PERSONS HOMES ACT 1954-1957

451. Commonwealth Government assistance for homes for aged persons commenced in 1954. The legislation passed in that year provides for grants to be made to eligible organizations to help meet the cost of establishing, or extending, homes where aged persons may reside, under conditions approaching as nearly as possible those of normal domestic life. An aged person is defined in the Act as being a man who has attained the age of 65 years and a woman who has attained the age of 60 years, but a couple is not debarred from the provisions of the Act by virtue of the fact that one of them is younger than the prescribed ages. In 1958, the Act was amended to increase the subsidy paid from £1 for £1 to £2 for £1 basis.

Exhibit
73/8 and
Q's. 640
to 642 and
716

452. There are two general conditions which an organization must fulfill to qualify for grants under the Act. First, the organization must be carried on otherwise than for purposes of profit or gain to individual members. Secondly, it must be an organization within the confines of certain determined categories, such as religious, charitable, or benevolent or an organization of former members of the defence forces established in each State or an organization approved by the Governor-General. The Governor-General may approve charitable trusts and similar trusts as special organizations, one such type being a friendly society. Local government councils and authorities have been specifically excluded from the operations of the Act.

Exhibit
73/8 and
Q's. 640
to 642 and
716

453. Before making a grant, the Director-General must be satisfied, first, that the home is a suitable one and that the organization intends to use it permanently for the accommodation of aged persons and, secondly, that the organization has

Exhibit
73/8 and
Q's. 644
to 646

sufficient funds which, with the grant, will meet the capital cost of the project. In determining whether a proposed home is a suitable home, the Director-General has regard first to the environmental aspects. If the home is an extension of an existing home, he would have regard to the character of the existing establishment in addition to considering the standard of the proposed extensions. If it is proposed to establish a new home, he would examine the standard of the buildings proposed and the nature of the organization itself, particularly in regard to any favourable or unfavourable history regarding charitable enterprises of this kind. The Director-General adopts the criterion of "on good faith" to satisfy himself that religious and similar organizations will use the home permanently for aged persons. In respect of some other organizations, the Director-General enters into an agreement with the organization that the home will be permanently used for the purpose for which it is subsidized and in the event of it ceasing to be so used, that the organization will undertake to repay the Commonwealth's grant.

Exhibit
73/8 and
Q's. 644
to 648

454. In demonstrating that it has sufficient funds to meet its share of the capital costs, an eligible organization must show that the funds are its own, i.e. they must not be derived from either a governmental source or be the result of borrowing. An organization could not obtain a grant on the basis of a claim that it would have an opportunity to obtain its own funds at a later date. The Department was said to satisfy itself beyond doubt that the funds exist. Other terms and conditions may be imposed by the Director-General before he approves a grant, but, we were assured, on no occasion had it been necessary to enforce the terms of an agreement on any organization.

Exhibit
73/8 and
Q's. 644
to 648

455. Applications for assistance are lodged with the State Branches of the Department. The application must be accompanied by full details and estimated costs of the project and sufficient information to enable the eligibility of the sponsoring organization to be determined. The Department's general information sheets advise prospective organizations to seek the advice and guidance of the Department's officers before making an application. Generally, organisations seeking assistance are required to submit plans and specifications, (which the Department requests should be drawn by a qualified architect), to the State Branch of the Department for perusal. Claims are examined in the Branch and reports and recommendations forwarded to the Central Office by the State Director.

Exhibit
73/8 and
Q's. 652,
658 and
705

456. At the Central Office, the State Branch's submission and the documents supporting the application are checked and reviewed to ensure that all policy requirements have been met and that the claim complies with the provisions of the Act. We were informed that organizations would make representations directly to the Director-General only on very rare occasions as the relevant State Branch of the Department would normally have obtained all of the required information before forwarding the proposal to the Central Office. A recommendation is prepared in the Central Office and submitted to the Director-General. Special features of the claim are drawn to his attention. After his approval is given under Sections 6 and 7 of the Act, the decision is recorded and notifications of the approval forwarded to the applicant organization, the Federal Member of Parliament in whose electorate the home is situated and the Director of Social Services in the State concerned.

Exhibit
73/8 and
Q's. 652,
658 and
705.

457. Appendix No. 22 sets out the approvals and expenditure under the Act for the years 1954-55 to 1964-65 inclusive. The figures for the years 1963-64 to 1964-65 have been included for comparative purposes only. As at 30th June, 1963, 15,860 elderly people, mainly pensioners, had been assisted under the legislation, and as at 31st August, 1965, 20,799 beds had been provided.

Exhibit
73/8 and
Q's. 653,
655 and
657

458. Mr. Stenhouse said that, during the period 1954-55 to 1962-63, approximately 2 per cent. of the applications made would have been rejected. Mr. Hill added that many organizations interested in this field have preliminary discussions with officers of the Department to learn the terms and conditions under which a grant may be made. If their proposed project will not meet those terms and conditions and if they cannot, even with the assistance of the Department's officers, find a way of adjusting the project to make it eligible for a Commonwealth subsidy, it is less likely that they will proceed to the stage of making a formal application. The number of this type of application is not recorded. One type of proposal which is frequently raised with the Department, but not subsequently proceeded with, is a request for a subsidy for what is, in effect, a hospital or project for single houses. Mr. Stenhouse said that if a proposal does not comply with the provisions of the Act, every encouragement and assistance is given to the organization to enable it to submit a proposal which will satisfy the requirements of the Act. While there is no formal machinery to enable an appeal to be made against the Director-General's decision, representations have been made to the Minister and to the Department. On these occasions, the application has been reviewed, its inadequacies pointed out and possible amendments to the proposal suggested.

Exhibit
73/8 and
Q's. 653,
655 and
657.

459. Grants under the Act are paid out of moneys appropriated by Parliament from time to time. In accordance with Section 9 of the Act, grants may be made of amounts equal to two-thirds of the cost of the project, as determined by the Director-General or equal to twice the contribution made by the sponsoring organisation, whichever is the less. The grant covers the basic fittings and fixtures that would be found in a normal home. Sick bays provided in the home are also covered by the grant. Although the sick bays are regarded as being for temporary illnesses only, no definition of "temporary" has been laid down by the Department. In practice, subsidies have been limited to a figure of £2,500 per person to be housed.

Exhibit
73/8 and
Q's. 671
to 673 and
747.

460. As expenditure on an approved project is incurred by the sponsoring organization, it makes a request to the appropriate Director of Social Services for an instalment of the grant. Such requests must be supported by the architect's progress or final certificates and the accounts must be receipted or certified as paid by the organization's auditor. After verifying the expenditure, the Director forwards a report to the Central Office recommending payment of a subsidy instalment. In most cases, the amount recommended would be based on two-thirds of the expenditure incurred. The report is examined and checked in Central Office and a recommendation for payment of the instalment is made to the Director-General. Following approval by the Director-General, as required under the provisions of the Act, a Finance Authority is prepared. After the necessary certification by the Finance Branch has been obtained,

Exhibit
73/8 and
Q. 675

the Authority, together with a covering letter to the organization, is forwarded to the State Director. The State Director draws a cheque and posts it to the organization with the covering letter. Exhibit 73/8 and Q. 675

461. On occasions, it has been necessary, after approval of a grant has been given, to draw the attention of some organizations to the requirements of the Act and the conditions under which the grant was approved, with a request that certain remedial action be taken. It was indicated that in most of the cases in which the Department has had to take such action, the matters requiring attention by the organizations have related to such aspects as normal domestic living conditions, age of residents, level of occupancy and room sharing. The Department does not perform a regular system of inspection to determine whether the remedial action requested is being taken. The Department accepts the architect's certificate that he is performing the supervision that he certifies he is performing and that the standards required in the specifications are being reached. However, any alterations to the original plans and specifications must be referred to the Department to determine whether they will alter the character of the home and hence its acceptability for a grant under the provisions of the Act, and whether the cost of the alterations will attract a subsidy. Exhibit 73/8 and Q's. 676 to 679.

462. The Department attempts to avoid giving directions to the organizations and interfering in the management of aged persons' homes as much as possible. To this end, it does not request advice on the rentals charged by the organizations for occupancy of their homes. Q. 712

PART V - CONCLUSIONS OF YOUR JOURNALISMChapter 25 - Conclusions and FindingsA. CONCLUSIONS

463. Your Committee's inquiry into the accounts and operations of the Department of Social Services, under Section 8 of the Public Accounts Committee Act 1951, constitutes the first comprehensive inquiry into that Department by a Parliamentary Committee. Our decision to undertake the inquiry was made, not because the Department has been the subject of censure, but because the growth in the extent and variety of social services provided by the Commonwealth in recent years has expanded substantially and because, in the discharge of their responsibilities, many Members of the Parliament find themselves engaged frequently with the Department of Social Services on behalf of their constituents. Your Committee feels that, for this reason, the present Report, which covers the detailed administrative operations of the Department will provide a useful source of information for Members of the Parliament and the public.

Organisation of the Department

464. The structure of the Department of Social Services comprises a Central Office and State Administrations which in turn are responsible for Regional Offices in all States except Western Australia. We were informed that the Department is not bound to adhere to its present criteria for the establishment of Regional Offices and that a Committee had been established to review existing criteria. Your Committee trusts that the Committee appointed by the Department will take into consideration the particular needs of beneficiaries in less densely settled areas in any reformulation of the criteria applied to the establishment of Regional Offices. (Paras. 41 to 43)

Staff and Establishments

465. Between 30th June, 1953 and 30th June, 1965, the Department's establishment increased from 2,335 positions to 3,145 positions, a percentage increase of 34.7 per cent. and the number of persons employed at the same dates were 2,289 and 3,070 respectively, a percentage increase of 34.1 per cent. Over the same period the number of benefits current as at 30th June, increased by approximately 40 per cent. During the period, benefits have been extended to additional classes of persons and the Aged Persons Homes Act and Disabled Persons Accommodation Act have commenced operation. Considerable expansion has taken place in the number of staff employed in Regional Offices whilst the preliminary investigations into automatic data processing have required staff not necessary in 1953. Accordingly, Your Committee considers that the Department's achievement in limiting the increase in staff to a percentage roughly equivalent to the increase in benefits paid indicates that staff control is soundly based. (Para. 53 to 57)

466. Your Committee is disturbed by the continuing excess of temporary staff employed over the number of temporary positions provided in the Department's establishment, particularly in the Victorian Administration. Information subsequently submitted to Your Committee indicates that Clerical Assistants, Grade 1 and Typists were the major areas of temporary employment in the Victorian Administration when this aspect of the Department's administration was under examination by Your Committee. Information supplied subsequently by the Public Service Board indicated that, as at 30th June, 1964, the Department's establishment for Clerical Assistants, Grade 1 and Typists was 176 permanent and 30 temporary positions. The Department indicated that 163 of those positions were being filled by temporary staff. Your Committee

considers that the continuing excess of temporary staff over temporary positions in the Victorian Administration should be reduced to levels more consistent with those pertaining in the other State Administrations. (Paras 60 and 61)

Inter-departmental Transfers

467. We were informed that the Repatriation Department achieved estimated savings of £48,500 when its processes for paying pensions were assumed by the Department of Social Services in Queensland, South Australia and Western Australia without reimbursement of cost. However, there is no corresponding figure available for the cost of such additional work to the Department of Social Services. Your Committee regards cost savings achieved by one Department when another Department performs part of its operations on its behalf as meaningless unless the overall saving to the Commonwealth is known. Accordingly, Your Committee is anxious that Departments perform adequate studies to determine both the estimated savings to one Department and the estimated cost to the other Department when such transfers of operations between Departments are proposed. In its Fifty-Fifth Report, Your Committee referred to the practice of including transfer payments in the details of appropriations. It stated that a number of services are provided by Departments without transfer payments being involved and, accordingly, recommended that Departments involved in performing services on behalf of other Departments should review the practice in consultation with the Department of the Treasury. We are of the opinion that the non-reimbursement of the Department of Social Services in respect of work which it performs in the processing of Repatriation pensions should be reviewed in consultation with the Department of the Treasury. (Paras. 121 and 122)

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Automatic Data Processing

468. We were informed that despite improvements that had been effected by the introduction of punched card methods of data processing it had become increasingly evident to the Department that greater benefits could be derived from the use of automatic data processing methods. Accordingly, since 1960 the Department has actively participated in plans to introduce automatic data processing methods of operation. By December, 1963, the Department's Feasibility Study Team had recommended that the Department install automatic data processing systems, initially in its Sydney and Melbourne offices.

The evidence shows that whilst the Department originally desired to introduce automatic data processing methods by February, 1966, examinations of its proposals by various authorities, had delayed implementation of the proposals to a point where the equipment might not be functioning before late 1966 or early 1967 in the Sydney Office.

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469. Information supplied subsequently to Your Committee shows that the Inter-departmental Committee has approved the issue of specifications for the calling of tenders for the installation of automatic data processing equipment in the Sydney Office of the Department. However, the Inter-departmental Committee, pending the receipt of tenders, has not approved the Department's proposal for the use which would be made of the equipment in the Sydney Office. The Department is now in a situation where it is still unable to plan on the basis of a definite automatic data processing installation for its Melbourne office, nor does it know what the final pattern for the processing of its payment work will be in any of the State Branches, including New South Wales.

Committee
File
1964/1/73

470. Your Committee is of the opinion that the Department of Social Services, which appears to have devoted 4 years to formulating and testing its proposals before submitting them for review to the various authorities concerned, has been involved in a lengthy and potentially costly delay. This Department is responsible for over 30 million benefit payments each year, a fact which warrants the use of the most modern methods of processing available, but recognition should also be given to the fact that forward planning to simplify and improve its service to its beneficiaries cannot be deferred without some significant embarrassment. (Para. 124 to 148)

Revenue

471. Until 1963-64, moneys credited to a head of revenue of the Department of Social Services were combined by the Department of the Treasury with the revenues of several other Departments under a common head of miscellaneous revenues. Your Committee notes with approval that the Department now prepares estimates of revenue in addition to estimates of expenditure and that these receipts are separately recorded in both the Department and the Treasury's records. (Para. 149 to 155)

Estimates of Expenditure

472. It is of considerable concern to Your Committee that the Department's generally accurate estimates of expenditure are marred by widely inaccurate estimating in respect of Grants to eligible organisations under the Disabled Persons Accommodation Act. The Department appropriated £150,000 in both 1963-64 and 1964-65 for this purpose but incurred expenditure of £6,600 in 1964-65 only. We were informed that these appropriations had been based largely on the force of the campaign launched by voluntary organisations to obtain

assistance as the Department had no past experience in which to base its estimates. As indicated in our Seventy-First Report relating to the Northern Territory Administration, sound estimating by any department requires the careful assessment of its needs in the preparation of its original estimates, the provision of increased funds in the Second Appropriation to meet changed circumstances and recourse to expenditure from the Advance to the Treasurer to meet emergency payments. Accordingly, it is difficult to appreciate why the Department having sought an amount of £150,000 in 1963-64 and having recorded no expenditure in that year, made provision for the same amount again in the First Appropriation in the following year. (Paras. 276 and 277)

473. We were informed that annual payments are made to the Queensland Government for services performed in connection with the Unemployment and Sickness Benefits Scheme under the Head "Payments for Services of Magistrates, Police, Registrars and Agents". Due to the time of the year at which the Queensland Government submits its claim for reimbursement the estimates in respect of this head may have to be revised subsequently due to changes in the State Government's costs. Your Committee considers that this is an administrative matter that should have been rectified and that the State Government concerned might reasonably be requested to co-operate by the submission of its reimbursement claims at a specific date to suit the Department's financial procedures. (Para. 299)

474. Your Committee took evidence on the fees paid by the Department in respect of medical examinations of invalid pensioners by private medical practitioners. The evidence disclosed that various fees are paid by different Departments. The fee of £1. 17. 6 for the examination of an invalid pensioner

has more recently been increased to £2. 2. 0. When compared with the existing fees for a private person, the charge to the Department appears to be substantial. The Department of the Treasury informed Your Committee that the fees are fixed after an evaluation of the relative work value of each type of examination. (Paras. 301 to 303)

Internal Audit

475. Due to its permanent nature, the problem of internal audit has attracted the attention of successive Committees, in a wide variety of inquiries conducted over the years. For this reason Your Committee paid particular attention to the organisation and procedure of this function within the Department of Social Services, the principal functions of which involve a wide variety and large volume of payments to the public.

476. The evidence shows that the internal audit sections of the State branches have an administrative responsibility to the State Directors of Social Services but in regard to policy direction and the overall technical control of their activities they are subject to the direct control of the Chief Internal Auditor in the Central Administration. The Audit Office observer, Mr. Fealy said that while internal audit is primarily a subject for which the management of the Department is responsible, the Audit Office considers that internal auditors should be given as much independence as possible and in this regard they should not have a local responsibility for their audit work. This difference of opinion between the Department and the Audit observer is of concern to your Committee. (Paras. 311, 312 and 326)

477. The Department of Social Services is unable to obtain and retain qualified accountants in all of the top 26 positions of its internal audit organisation. The general practice in the Commonwealth Service is that officers are not recruited directly to accountancy positions. Officers entering the Service are advised of the necessity to obtain some form of qualifications. Those officers who desire to obtain accountancy qualifications must pursue their studies through outside organisations. They are encouraged to obtain their qualifications through the grant of a maximum of 5 hours leave per week to complete their studies. The Audit observer expressed the view that there should be a greater number of qualified officers doing internal audit work in order to raise the standard of the work performed. This position reveals a deficiency of very great importance and calling for urgent re-examination. (Para. 322 to 326)

478. The Department of Social Services approached the Public Service Board on 5th October, 1964 to obtain approval for a re-organisation of the internal audit staff. The proposal was designed to create a more flexible, centrally disposed group of staff who could be deployed on particular, programmed examinations as required. The proposed re-organisation would require a higher grade of staff and more specialised training to assist internal auditors to employ statistical sampling techniques. Adoption of statistical sampling instead of judgment sampling in the larger areas of the Department's internal audit work would reduce the number of transactions checked, the time absorbed in unnecessary checking and produce greater certainty in the accuracy of the results obtained. The Public Service Board subsequently advised us that consideration of the Department's re-organisation has been deferred pending an extensive general review of accounting and audit work in the Commonwealth Service.

Your Committee has reservations regarding the Public Service Board's decision which, in the case of internal audit in the Department of Social Services, is seriously hindering that Department in its endeavours to introduce a more efficient control on financial transactions. (Paras. 316 to 320).

Payment of Benefits

479. A test in progress in the Victorian Administration of the Department during the inquiry was designed to determine the advantages which may result from granting immediate interviews to claimants for benefits who come to offices of the Department. The results of this test had not been evaluated at the time of compilation of this Report. Your Committee expresses its considerable interest in the nature of this experiment and the improved service which may result from its conclusions. (Para. 349).

480. The evidence presented to Your Committee shows that considerable administrative efficiency would be obtained from the payment of pensions solely by cheque. The important advantage resulting from payment by cheque is the ready ability of the Department to give effect to changes in legislation. When a pensioner dies, it is a simple operation to stop the payment of a cheque. Use of the order book system was said to be a cumbersome machinery and clerical process when changes in legislation are to be effected and considerable difficulty may be experienced by the Department in endeavouring to secure the return of order books on the death of a pensioner. An alternative method of payment, by direct payment to a bank account, has the disadvantage of doubling the clerical work involved in processing payments. Difficulties could also arise in the cases of deceased persons and persons who have left Australia, as the Department would be involved in additional costs in recovering payment.

Comparison of the advantages accruing to Repatriation pensioners, who receive payment of their pensions directly to their bank accounts, was said to be an unfavourable comparison as many Repatriation pensions are small and the pensioner does not experience any marked inconvenience in having to wait twelve weeks to receive payment, whereas social service pensioners were said to be generally in need of their payments for daily commitments. On balance, these factors, together with the evidence presented that relatively few cheques go astray, would seem to indicate that the Department should increase its endeavours to obtain a system of uniform payment of pensions by cheque. (Paras. 360 to 363)

481. Departments should be continually aware of the need to simplify all communications with the public to the maximum extent consistent with efficiency. Your Committee commends the Department's action in establishing a Forms' Committee to review all departmental forms. (Para. 90)

Payment of Benefits to Aborigines

482. In respect to payment of social service benefits to aborigines, Your Committee was informed that of the three methods of payment used in payment of pensions, the "controlled security" and "warrantee methods" do not provide the safeguards normally associated with the payment of benefits. Evidence was given which shows that payment to aborigines in controlled communities is made by a group payment method - the Department sends a lump sum cheque in respect of the total number of pensioners appearing on the payment schedule each fortnight, any necessary adjustments for deaths, absentees and new pensioners are made by the manager of the community. While provision was originally made

for controlled communities to pay lesser amounts than the then ruling rate of "pocket money" under the benevolent home method of payment, the "pocket money" portion is gradually being increased to the full rate. Your Committee is satisfied that the Department has been able to overcome the problems of isolation associated with the payment of benefits to aborigines, but recognises that under these circumstances the usual provision for efficiency checks and audit cannot apply. (Paras. 379 to 395)

Rehabilitation Service

483. Your Committee is of the opinion that the operation of the Rehabilitation Service is worthy of the highest commendation. We are impressed by the Department's use of public relations to obtain community acceptance of disabled persons. The Rehabilitation Service endeavours to keep the rehabilitee's former employer in close contact with the rehabilitee's progress. Before an employer receives a disabled person, careful assessment of the disabled person's abilities are made to ensure that the Rehabilitation Service is not harmed by giving the employer a wrong indication of the person's ability. The concurrence of both the employer and the trade union concerned is obtained before any rehabilitee is given on-the-job training. The Rehabilitation Service uses mass media in an endeavour to present commerce and industry with a challenge to accept a fair share of the responsibility for employment of rehabilitated persons. The services provided by a private organisation have recently assisted the Department's rehabilitation work. The Department

regularly programmes visits to its rehabilitation centres for groups of employers. Your Committee's attention was drawn to a number of disabilities to which an unfavourable community attitude to employment is attached. We would hope that the Department, in its public relations work, will continue to endeavour to eliminate such attitudes. (Paras. 396 to 423).

484. The Department has performed only one survey of the rehabilitees placed in employment. The purpose of the survey was to determine the number of persons who returned to the Department as invalid pensioners, sickness and unemployment beneficiaries or recipients of tuberculosis allowance, the length of time for which they had again been in receipt of a benefit and whether they were likely to be temporary or permanent beneficiaries. Your Committee is of the opinion that if such surveys were made regularly and were published subsequently in the Director-General's Annual Report they would provide a very useful and helpful guide to the value of the work performed by the Rehabilitation Service. (Paras. 417 and 418).

485. Evidence submitted to Your Committee indicates that there is a growing number of organisations providing rehabilitation facilities. Related evidence shows that rehabilitation work could be duplicated during a period in which medical labour is in short supply. Recruitment difficulties have already been experienced by the Department in its medical technological or para-medical work. In an endeavour to overcome the recruitment difficulties in this area, the Public Service Board has decided to depart from the established practice of salary fixation in the Commonwealth Service, i.e., determining a uniform

rate of pay for application throughout Australia by matching, as closely as possible, State rates of pay. Your Committee was informed that a system of co-ordination and liaison may be required to ensure that the various organizations providing rehabilitation facilities do not work at cross purposes. Your Committee is anxious that the Department ensures that any co-ordination and liaison action which is open to it be taken. (Paras. 58 and 59, and 73 to 76).

486. Your Committee notes that corrective action was being taken during the course of the inquiry to ensure that moneys received from work performed in rehabilitation centres for private industry, will be paid into the Unutilised Revenue Fund in future. Your Committee is concerned that the Department's administrative procedures in this matter should have been established contrary to the Audit Act and Treasury Regulations. (Para. 429).

Investigations and Prosecutions

487. The information supplied to us shows that the administration of the Act should be performed benevolently. Your Committee recognises that a benevolent attitude might be shown, for example, to elderly and semi-invalid beneficiaries, for whom investigations and prosecution procedures would exist mainly as a deterrent to tendering wilfully incorrect information. In the more extreme cases, the Department would be fully justified in taking prosecution action and its present procedures would appear to be appropriate for these cases. Your Committee has considerable sympathy for the view that, in intensifying the investigations it performs, the Department may be unnecessarily disturbing innocent people. However, we are of the opinion that to detect persons guilty of misleading and fraudulent statements, the Department must continue to adopt and apply, procedures which will act both as a deterrent and provide an avenue for prosecution of those cases which merit such action. (Paras. 433 to 442).

488. Treasury Instruction 25/11 enunciates the principle that, in the case of most of the Department's cheques, the property passes to the payee when the cheque is posted. However, the Treasury

Instruction 25/18 further provides that Departments may take action to recover the amount of payment on behalf of the beneficiary if the cheque is forged or used without authority. Your Committee considers that this policy is justified in view of the difficulties many beneficiaries might experience if it was necessary that they initiate their own recovery actions. (Para. 443).

Aged Persons Homes Grant

489. Your Committee notes that as at 30th June, 1964, expenditure of £24,454,530 had been approved under the Aged Persons Homes Act, to a variety of organizations. (Paras 451 to 462).

B. FINDINGS

490. Your Committee finds that:-

Organisation of the Department

(1) The Committee established by the Department of Social Services to review the criteria applied to the establishment of Regional Offices should take into consideration the problems of beneficiaries in less densely populated areas in any reformulation of the criteria. (Paras. 41 to 43 and 464).

Staff and Establishments

(2) Early action should be taken to reduce the number of temporary staff over the number of temporary positions on the establishment of the Victorian Administration of the Department. (Paras. 60, 61 and 466).

Inter-Departmental Transfers

(3) The Departments of Social Services and the Treasury should review the question of whether the Department of Social Services should be reimbursed in respect of services which it provides for the Repatriation Department in the processing of Repatriation pensions. (Paras. 121, 122 and 467)

Automatic Data Processing

(4) Urgent action should be taken by all parties concerned to resolve the problems arising from the proposed introduction of automatic data processing by the Department of Social Services. (Paras. 124 to 148 and 168 to 170)

Estimates

(5) The Department of Social Services did not exercise proper care in formulating its estimates of expenditure for grants to eligible organisations under the Disabled Persons Accommodation Act in 1963-64 and 1964-65. (Paras. 276, 277 and 472)

(6) Early action should be taken by the Department to secure the co-operation of the Queensland Government in the submission of its reimbursement claims in connection with the Unemployment and Sickness Benefits Scheme, at a specified date to suit the Department's financial procedures. (Paras 299 and 473)

(7) A review by the relevant authorities of the criteria on which the fees paid for examinations of invalid pensioners by private medical practitioners are based, appears to be warranted as it would seem to be difficult to justify, to critics, that the fees paid by Commonwealth Department should be so much higher than the fees paid by private persons. (Paras. 301 to 303 and 474)

Internal Audit

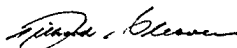
(8) The Audit observer's view, that internal auditors should be given as much independence as possible, should be considered by the Department of Social Services as soon as possible. (Paras. 311, 312, 326, 475 and 476).

(9) The Audit observer's view that there should be a greater number of qualified officers doing internal audit work is a matter for grave concern and is commended to the attention of the Public Service Board (Paras 322 to 326 and 477).

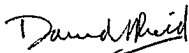
(10) The Public Service Board's decision to defer consideration of the Department of Social Services' proposed re-organization of internal audit staff pending an extensive general review of accounting and audit work in the Commonwealth Service may result in a serious delay in improving the efficiency of the Department's internal audit work. (Paras. 316 to 320 and 478).

Payment of Benefits

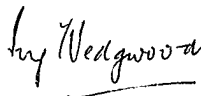
(11) The Department should, in the interests of economy and efficiency, adopt a uniform method of payment of social service benefits by cheque. (Paras. 360 to 363 and 480).



RICHARD CLEAVER
Chairman



DAVID N. REID
Secretary,
Joint Committee of Public Accounts,
Parliament House,
Canberra. A.C.T.

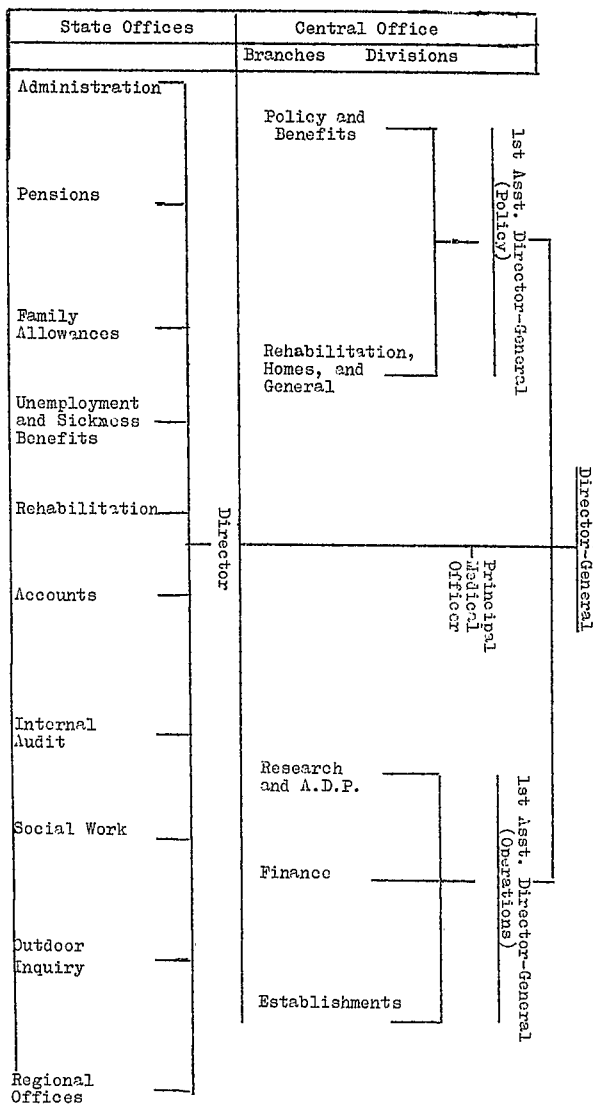


30th September, 1965.

INDEX TO EXHIBITS

- Exhibit 1 History, Functions and Organization of Department of Social Services (together with Annual Report, 1962-63).
- Exhibit 2 Staff and Establishments.
- Exhibit 3 Treasury Statement on Social Services Administration from Federation to 1941.
- Exhibit 4 Supplementary Information on the History of the Department of Social Services.
- Exhibit 5 Acts and Regulations Administered by the Department of Social Services.
- Exhibit 6 Investigations and Prosecutions for Offences against the Social Services Act.
- Exhibit 7 Training and Cadetships.
- Exhibit 8 The Administration of Claims for Grants under the Aged Persons Homes Act.
- Exhibit 9 Statement of Receipts and Expenditure by or on Behalf of the Department of Social Services.
- Exhibit 10 The Rehabilitation Service.
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- Exhibit 12 Internal Audit.
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- Exhibit 14 Administration under Reciprocal Agreements including Financial Arrangements.
- Exhibit 15 Organization, Assignments and Achievements of the O. & M. Section.
- Exhibit 16 Benefits Payable and Administrative Arrangements.
- Exhibit 17 Procedures for Preparing the Department's Estimates.
- Exhibit 18 The Research Section and Methods of Forecasting Future Commitments.
- Exhibit 19 Delegations of Authority under Social Services and Treasury Legislation.
- Exhibit 20 Maintenance and Control of Stores and Assets.
- Exhibit 21 Payment of Social Service Benefits to Aborigines.
- Exhibit 22 Inter-departmental Arrangements for the Payment of Benefits etc. and Recovery of Administrative Costs.
- Exhibit 23 Investigation into the Application of Electronic Data Processing

AN OUTLINE OF THE STRUCTURE OF THE DEPARTMENT OF SOCIAL SERVICES



SOCIAL SERVICES ACTDELEGATION

No. 329

I, HERBERT JOHN GOODES, Director-General of Social Services in pursuance of Section 12 of the Social Services Act 1947-1960, hereby delegate to the person for the time being holding the office or performing the duties, of Director of Social Services under that Act in each of the States of New South Wales, Victoria, Queensland, South Australia, Western Australia and Tasmania, all my powers and functions under that Act in respect of matters arising in their respective States, with the exception of -

- (a) my powers and functions under the provisions specified in the first column of the Schedule to this instrument (the general nature of which powers and functions is set out in the second column of that Schedule);
- (b) my power of review under Section 14 of the said Act in relation to a determination, direction, decision or approval of the Director-General; and
- (c) my power to approve of forms, and declarations where specified, under Sections 27(2), 37, 40(1) 44, 66, 69(1), 73, 88, 98, 99(1), 116, 126 and 129 of the said Act.

The powers and functions hereby delegated to Directors are in substitution for the powers and functions given by me to Directors under the said Act prior to this date.

The powers and functions hereby delegated are to be exercised in respect only of the types of cases, and in accordance with the principles, laid down by me in instructions already issued or which may be issued by me from time to time.

THE SCHEDULE

Provision	General nature of powers and functions
Section 10	Appointment of Registrars and establishment of Regional Offices.
Section 15	Determination of appeals to the Director-General.
Section 17	Direction in relation to declaration of secrecy; decision as to whether divulging of information is in the public interest; decision as to the person to whom the information may be divulged; decision as to whether the person who seeks the information is expressly or impliedly authorised to obtain it.
Section 18	Approval of benevolent homes.
Section 92(3)	Decision as to whether claimant for Maternity Allowance, whose usual place of residence is not in Australia, in respect of a birth outside Australia, intends to become a resident of Australia as soon as it is reasonably possible for her to do so.
Section 94(1)	Approval of institution for payment of Child Endowment.
Section 104(4)	Decision as to whether claimant for Child Endowment whose usual place of residence is not in Australia, intends to become a resident of Australia as soon as it is reasonably possible for her to do so.
Section 106	Approval of friendly societies and similar bodies for purposes of Unemployment and Sickness Benefits.
Section 114(2)	Determination in relation to board and/or lodging.
Section 121(c)	Cancellation of Sickness Benefit where beneficiary refuses or fails to take action which Director-General considers reasonable, to terminate, or reduce the extent of, his incapacity.
Section 132(1)	Determination of day for payment of benefits.
Section 135 (1)(b)	Provision of such facilities and other things as are necessary in connection with treatment and vocational training of rehabilitates.
Section 135P	Determination of the cost of, and incidental to, the treatment and training provided.
Section 135R (1)	<p>(a) In relation to the definition of "compensation", to determine whether payment is in the nature of compensation or damages.</p> <p>(b) In relation to the definition of "cost", to determine the cost of treatment provided at Rehabilitation Centres.</p>

Provision	General nature of powers and functions
Section 135R (1B)	The release of a person from the whole or part of his liability where special circumstances exist.
Section 135R (7)	The recovery in a court of competent jurisdiction of an amount that a person is liable to pay under this Section.
Section 135S (2)	Determination of the amount to be paid to the Commonwealth in respect of treatment and training provided to a person under an arrangement with an authority of the Commonwealth or of a State.
Section 139(2)	Power to authorise other persons to consent to prosecution.
Section 148	Preparation of annual report.

Dated at Melbourne

This Twenty-Second day of December, 1960.

(Sgd.) H. J. Goodes

Director-General of Social Services

SOCIAL SERVICES ACT

No. 302

DELEGATION

I, HERBERT JOHN GOODES, Director-General of Social Services, in pursuance of section 12 of the Social Services Act 1947-1958 hereby delegate to the person for the time being holding the office, or performing the duties, of Senior Pensions Officer, Pensions Branch, Department of Social Services, in the States of New South Wales, Victoria and Queensland, my powers and functions under the provisions specified in the first column of the Schedule to this instrument (the general nature of which powers and functions is set out in the second column of that Schedule).

The powers and functions hereby delegated are in substitution for the powers and functions given by me to Senior Pensions Officers under the said Act prior to this date and are to be exercised in respect only of the types of cases, and in accordance with the principles, laid down by me in instructions already issued or which may be issued by me from time to time.

THE SCHEDULE

Provision	General nature of powers and functions
Section 13	To determine claims for age, invalid and widows' pensions, wives' allowances and children's allowances.
Section 14	Power to review (but not including power to review a determination, direction or decision of the Director-General).
Section 19(2)	To grant an age or invalid pension to an aboriginal native of Australia in the circumstances specified.
Section 27(1)	To deem a claimant for an age or invalid pension to have been resident in Australia in the circumstances specified.

Provision	General nature of powers and functions
Section 28(1)	To determine the rate of an age or invalid pension.
Section 29(2)	To determine that the income of a husband and wife shall be deemed not to be half the total income of both.
Section 30(1)(c)	To direct that, for any special reason, in any particular case, the value of the whole or any part of the property of a claimant or pensioner or of his spouse, shall be disregarded in the computation of the value of property for age and invalid pension purposes.
Section 30(1A)	To determine the value of property of an age or invalid pensioner for the purpose of ascertaining the amount to be deducted in respect of a charge or encumbrance on the property.
Section 30 (1B)	To determine whether a charge or encumbrance on the property of an age or invalid pensioner is a collateral security.
Section 30(2)	To determine that the value of the property of a husband and wife shall be deemed not to be half the total value of the property of both.
Section 30A(1)	To determine that a pensioner requires supplementary assistance by reason that he pays rent and is entirely dependent upon his pension.
Section 30A(3)	To determine the date from which supplementary assistance is payable.
Section 30A(5)	To cancel the supplementary assistance and determine the date of effect of such cancellation.
Section 30A(7)	To determine whether a pensioner may be considered as entirely dependent upon his pension.
Section 33(1)	To determine the rate of a wife's allowance.
Section 34(1)	To determine whether a woman in receipt of a wife's allowance has the custody, care and control of one or more children under the age of sixteen years.
Section 39	To determine the date of commencement of an age or invalid pension.
Section 40(2)	To determine the manner in which an age or invalid pension shall be paid.
Section 42(2)	To waive the forfeiture of an age or invalid pension.
Section 43	To appoint a warrantee for an age or invalid pension.

Provision	General nature of powers and functions
Section 46	To cancel, suspend, reduce or increase the rate of an age or invalid pension.
Section 27	To direct that the age or invalid pension payable to an aboriginal native of Australia shall be paid to some other authority or person.
Section 49(1)	To determine that the absence of an age or invalid pensioner from Australia is of a temporary nature.
Section 51	To direct that an age or invalid pension shall not be paid to a person considered unfit to be entrusted with a pension unless that person enters a benevolent home.
Section 52(1)	To suspend an age or invalid pension or forfeit an instalment of pension if a pensioner is imprisoned following upon his conviction for an offence.
Section 52(2)	To authorise payment of the pension to a wife or child or some other person for the benefit of the wife or child where an age or invalid pensioner is imprisoned.
Section 53(1)	To consent to insurance moneys or compensation received by an age or invalid pensioner for the destruction of his permanent home and to determine the period during which such moneys shall not affect the rate of pension.
Section 56	To exercise discretion in paying funeral benefit to the person who has actually borne the cost of the funeral.
Section 57	To approve a claim for funeral benefit not lodged within the prescribed period of six months.
Section 60(1)(c) (iii)	To determine that a Class C widow is in necessitous circumstances.
Section 60(3)(b)	To determine whether a widow and her late husband were residing permanently in Australia at the date of death of the husband.
Section 61(1)	To determine that a claimant for widow's pensions shall be deemed to have been resident in Australia in the circumstances specified.
Section 62(2)	To grant a widow's pension to an aboriginal native of Australia in the circumstances specified.
Section 62(3)	To determine that a claimant for widow's pension, being a deserted wife or divorcee, has taken reasonable action to obtain maintenance from her husband or former husband.

Provision	General nature of powers and functions
Section 63(1)	To determine the rate of a widow's pension.
Section 65(1)(c)	To direct that, for any special reason, in any particular case, the value of the whole or any part of the property of a widow shall be disregarded in the computation of the value of property for widow's pension purposes.
Section 65(2)	To determine the value of property of a widow pensioner for the purposes of ascertaining the amount to be deducted in respect of a charge or encumbrance on the property.
Section 65(3)	To determine whether a charge or encumbrance on the property of a widow pensioner is collateral security.
Section 65A(1)	To determine that a widow pensioner requires supplementary assistance by reason that she pays rent and is entirely dependent upon her pension.
Section 65A(3)	To determine the date from which the supplementary assistance is payable.
Section 65A(4)	To cancel the supplementary assistance and determine the date of such cancellation.
Section 65A(6)	To determine whether a widow pensioner may be considered as entirely dependent upon her pension.
Section 68(1)	To determine the date of commencement of a widow's pension.
Section 68(2)	To determine the manner in which a widow's pension shall be paid.
Section 71(2)	To waive the forfeiture of a widow's pension.
Section 72	To appoint a warrantee for a widow's pension.
Section 75	To cancel, suspend, reduce or increase the rate of a widow's pension.
Section 76	To direct that the widow's pension payable to an aboriginal native of Australia shall be paid to some other authority or person.
Section 78(1)	To determine that the absence of a widow pensioner from Australia is of a temporary nature.
Section 78(1)	To direct that the pension of a Class A widow shall not cease to be payable in the circumstances specified.
Section 79(2)	To determine that the employment of a child of a Class A widow shall be disregarded.
Section 82(2)	To authorise the payment of pension of a widow who is imprisoned to some other person for the benefit of the widow's child.

Provision	General nature of powers and functions
Section 83(1)	To consent to insurance moneys or compensation received by a widow pensioner for the destruction of her permanent home being used for the purchase or building of a new home and to determine the period during which such moneys shall not affect the rate of pension.
Section 143A	To issue a certificate in writing as to the amount of pension or allowance overpaid as the result of the retrospective grant or increase in a war pension.
Section 145	To treat a claim for an inappropriate pension, allowance or benefit as a claim for the appropriate pension, allowance or benefit and as having been lodged with the appropriate officer.
Section 146	To approve of payment of a pension or allowance accrued and unpaid at the date of death of a person receiving such pension or allowance or at the date of death of a claimant for such pension or allowance.

Dated at Melbourne
this twenty-second day of September, 1959.

(Sgd.) H. J. Gordon
Director-General of Social Services

SOCIAL SERVICES ACT

No. 385

DELEGATION

I, HERBERT JOHN GOODENS, Director-General of Social Services, in pursuance of Section 12 of the Social Services Act 1947-1963 hereby delegate to the person for the time being holding the office, or performing the duties, of Registrar, at the Regional Office, Hamilton, in the State of Victoria, my powers and functions under the provisions specified in the first column of the Schedule to this instrument (the general nature of which powers and functions is set out in the second column of that Schedule).

The powers and functions hereby delegated are in substitution of the powers and functions given by me to the Registrar under the said Act prior to this date and are to be exercised in respect only of the types of cases, and in accordance with the principles, laid down by me in instructions already issued or which may be issued from time to time.

THE SCHEDULE

Provision	General nature of powers and functions
Section 13	To determine claims.
Section 14	To review a determination, direction decision or approval of an officer under the Act (but not including power to review a determination, direction or decision of the Director-General).
Section 20(1)	To deem a claimant for an age or invalid pension to have been resident in Australia in the circumstances specified.
Section 27(1)	To direct that a claimant for an invalid pension be examined by a legally qualified medical practitioner.
Section 28(1)	To determine the rate of an invalid or age pension.
Section 29(2)(b)	To determine that the income of a husband and wife shall be deemed not to be half the total income of both.
Section 30(1A)	To determine the value of property of an age or invalid pensioner for the purpose of ascertaining the amount to be deducted in respect of a charge or encumbrance on the property.

Provision	General nature of powers and functions
Section 30(1B)	To determine whether a charge or encumbrance on the property of an age or invalid pensioner is a collateral security.
Section 30(2)(b)	To determine that the value of the property of a husband and wife shall be deemed not to be half the total value of the property of both.
Section 30A (1)	To determine that a pensioner requires supplementary assistance by reason that he pays rent and is entirely dependent upon his pension.
Section 30A(3)	To determine the date from which the supplementary assistance is payable.
Section 30A(5)	To cancel the supplementary assistance and determine the date of effect of such cancellation.
Section 30A(7)	To determine whether a pensioner may be considered as entirely dependent upon his pension.
Section 33(1)	To determine the rate of a wife's allowance.
Section 34(1)	To determine whether a woman in receipt of a wife's allowance has the custody, care and control of one or more children under the age of sixteen years.
Section 39	To determine the date of commencement of an age or invalid pension.
Section 40(2)	To determine the date of commencement of an age or invalid pension.
Section 42(2)	To waive the forfeiture of an age or invalid pension.
Section 46	To cancel, suspend, reduce or increase the rate of an age or invalid pension.
Section 49(1)	To determine that the absence of an age or invalid pensioner from Australia is of a temporary nature.
Section 51	To direct that an age or invalid pension shall not be paid to a person considered unfit to be entrusted with a pension unless that person enters a benevolent home.
Section 52(1)	To suspend an age or invalid pension or forfeit an instalment of pension if a pensioner is imprisoned following upon his conviction for an offence.
Section 52(2)	To authorize payment of the pension to a wife or child or some other person for the benefit of the wife or child where an age or invalid pensioner is imprisoned.

Provision	General nature of powers and functions
Section 53(1)	To consent to insurance monies or compensation received by an age or invalid pensioner for the destruction of his permanent home being used for the purchase or building of a new home and to determine the period during which such monies shall not affect the rate of pension.
Section 56	To exercise discretion in paying funeral benefit to the person who has actually borne the cost of the funeral.
Section 57	To approve a claim for funeral benefit not lodged within the prescribed period of six months.
Section 60(1) (c) (iii)	To determine that a Class "C" widow is in necessitous circumstances.
Section 60(3)(b)	To determine whether a widow and her late husband were residing permanently in Australia at the date of death of the husband.
Section 61(1)	To determine that a claimant for widow's pension shall be deemed to have been resident in Australia in the circumstances specified.
Section 62(3)	To determine that a claimant for widow's pension, being a deserted wife or divorcee, has taken reasonable action to obtain maintenance from her husband or former husband.
Section 63(1)	To determine the rate of a widow's pension.
Section 65(2)	To determine the value of property of a widow pensioner for the purpose of ascertaining the amount to be deducted in respect of a charge or encumbrance on the property.
Section 65(3)	To determine whether a charge or encumbrance on the property of a widow pensioner is a collateral security.
Section 65A(1)	To determine that a widow pensioner requires supplementary assistance by reason that she pays rent and is entirely dependent upon her pension.
Section 65A(3)	To determine the date from which the supplementary assistance is payable.
Section 65A(4)	To cancel the supplementary assistance and determine the date of effect of such cancellation.
Section 65A(6)	To determine whether a widow pensioner may be considered as entirely dependent upon her pension.
Section 68(1)	To determine the date of commencement of a widow's pension.

Provision	General nature of powers and functions
Section 69(2)	To determine the manner in which a widow's pension shall be paid.
Section 71(2)	To waive the forfeiture of a widow's pension.
Section 72	To appoint a warrantee for a widow's pension.
Section 75	To cancel, suspend, reduce or increase the rate of a widow's pension.
Section 78(1)	To determine that the absence of a widow pensioner from Australia is of a temporary nature.
Section 79(1)	To direct that the pension of a Class A widow shall not cease to be payable in the circumstances specified.
Section 79(2)	To determine that the employment of a child of a Class A widow shall be disregarded.
Section 82(2)	To authorise the payment of pension of a widow who is imprisoned to some other person for the benefit of the child.
Section 83(1)	To consent to insurance moneys or compensation received by a widow pensioner for the destruction of her permanent home being used for the purchase or building of a new home and to determine the period during which such moneys shall not affect the rate of pension.
Section 85(1)(b)	To grant a maternity allowance where a child is not born alive, or is born alive but lives for less than twelve hours, provided that the intra-uterine life of the child was not less than five and a half calendar months.
Section 86(2)	To decide whether an alien woman claiming a maternity allowance within twelve months after her arrival in Australia, is likely to remain in Australia.
Section 88	To determine whether the period of six months after the birth of the child within which a claim for Maternity Allowance is required to be lodged may, in special circumstances, be extended.
Section 90(1)	To determine the manner in which a maternity allowance shall be paid.
Section 90(2)	To approve of payment of a maternity allowance to some other person on the death of the mother.
Section 91	To authorise payment of maternity allowance to some person, institution or authority on behalf of the person to whom the allowance is granted.

Provision	General nature of powers and functions
Section 94(3) (a) and (b)	To exercise discretion in determining the person who has the custody, care and control of a child who is an inmate of a hospital for the insane.
Section 95(4)(c)	To approve of a grant of child endowment in respect of an alien father where the child is likely to remain permanently in Australia.
Section 95(5)	To approve of the grant and payment of child endowment in case of children who, by reason of divorce, separation, unemployment, death of a parent or other special circumstances, are not living together as one family.
Section 96(2)	To determine whether a claimant for child endowment and the child to whom the claim relates are likely to remain permanently in Australia.
Section 99(2)	To determine the manner in which a child endowment shall be paid.
Section 99(3)	To consent to the payment of an endowment to the credit of a bank account specified by the person or institution to whom the endowment is payable.
Section 100	To authorise payment of child endowment to some other person, institution or authority or behalf of the person to whom the endowment is granted.
Section 102(1) and 102(2)	To determine whether the period of six months after the date on which a claimant became eligible for endowment, within which a claim is required to be lodged, may, in special circumstances, be extended.
Section 106(1)(g)	To determine whether a pension payable under the law of a country other than Australia is similar in character to a war pension.
Section 107(b) (ii)	To determine that a claimant for unemployment benefit who has not been resident in Australia for twelve months immediately preceding the date of his claim, intends to remain permanently in Australia.
Section 107(c) (ii)	To determine that a claimant for unemployment benefit is capable and willing to undertake suitable work.
Section 108(1) (b)(ii)	To determine that a claimant for sickness benefit, who has not been residing in Australia for twelve months immediately preceding the date of his claim, intends to remain permanently in Australia.
Section 108(1)(c)	To determine that a claimant for sickness benefit is temporarily incapacitated for work and has suffered a loss of income thereby and the incapacity was not brought about with a view to obtaining sickness benefit.

Provision	General nature of powers and functions
Section 108(2)	To determine loss of income in respect of a person who employs a substitute.
Section 110	To determine the eligibility of a married woman to receive a sickness benefit.
Section 112(2)	To determine whether the spouse of a claimant for unemployment benefit or sickness benefit is dependent or partially dependent on the claimant.
Section 112(3)	To make a determination in relation to an increase in the rate of unemployment benefit or sickness benefit payable to a person who is living apart from his spouse and who is making a payment towards the maintenance of that spouse.
Section 112(4)	To make a determination in relation to increase of rate of benefit in respect of a dependent housekeeper.
Section 113	To determine loss of income.
Section 114(3) (b)	To determine whether a claimant for unemployment benefit and his spouse, from whom he is living apart, are likely to be permanently separated.
Section 115(2)	To determine whether the whole or part of the payment received by a person qualified to receive sickness benefit is a payment for the purposes of Section 115.
Section 115(11)	To determine whether the whole or part of the payment received by a person qualified to receive sickness benefit is in the nature of compensation or damages.
Section 117(1)	To give a direction in relation to the furnishing of a medical certificate.
Section 117(2)	To direct that payment of sickness benefit be deferred until the claimant has been examined by a legally qualified medical practitioner nominated for that purpose.
Section 119(3)	To determine the date of commencement of a sickness benefit where the claim is not lodged within thirteen weeks after the date on which the claimant became incapacitated.
Section 120	To postpone or cancel unemployment benefit in the circumstances specified.
Section 121	To cancel sickness benefit in the circumstances specified in paragraphs (a) and (b) of this section but not in the circumstances specified in paragraph (c).

Provision	General nature of powers and functions
Section 123(1)	To determine the manner in which and the person to whom and unemployment benefit or a sickness benefit may be paid.
Section 124	To grant special benefits.
Section 125	To determine the rate of a special benefit.
Section 127	To determine the date of commencement of a special benefit and the duration of that benefit.
Section 128	To determine the manner in which and the person to whom a special benefit may be paid.
Section 129	To request a beneficiary to furnish a statement relating to any matter which might affect the payment of his benefit but not the power to approve the form specified in this section.
Section 131	To cancel, suspend, reduce or increase the rate of benefit.
Section 132(3)	To determine that an instalment of benefit which has not been paid within twenty-eight days after it became payable, may be paid.
Section 133B	To make deductions from benefit in respect of board and lodging in the circumstances specified and to pay the amounts so deducted to the authorities specified.
Section 137A	To decide whether an aboriginal native of Australia follows a mode of life that is nomadic or primitive.
Section 143A	To issue a certificate in writing as to the amount of pension, allowance or benefit overpaid as the result of the retrospective grant or increase in a war pension.
Section 145	To treat a claim for an inappropriate pension, allowance or benefit as a claim for the appropriate pension, allowance or benefit and as having been lodged with the appropriate officer.
Section 146	To approve of payment of a pension, allowance or benefit accrued and unpaid at the date of death of a person receiving such pension, allowance or benefit or at the date of death of a claimant for such pension, allowance or benefit.

Dated at Melbourne

This Twenty-first day of January, 1964.

(Sgd.) H. J. COODES
Director-General of Social Services

Delegations under Audit Act and Treasury Regulations

A. Minister

- (i) To write off the value of stores condemned, obsolete or unserviceable through fair wear and tear where the original value in the aggregate did not exceed £1,000.
- (ii) To write off the value of stores lost, deficient or unserviceable other than through fair wear and tear where the original value in the aggregate did not exceed £500.
- (iii) To take on charge excess stores irrespective of value.

B. Permanent Head (Director-General), First Assistant Director-General (Operations) and Director (Finance).

- (i) To write off losses or deficiencies of public moneys which do not exceed £20 in any one case.
- (ii) To write off irrecoverable amounts of revenue, irrecoverable debts and overpayments (as distinct from irrecoverable benefit debts and overpayments, see C and D below) which do not exceed £40.
- (iii) To write off the value of stores condemned, obsolete or unserviceable through fair wear and tear where the original value in the aggregate did not exceed £400.
- (iv) To write off the value of stores lost, deficient or unserviceable other than through fair wear and tear where the original value in the aggregate did not exceed £100.
- (v) To take on charge excess stores, irrespective of value.
- (vi) To approve of the recovery of debts and overpayments (as distinct from benefit debts and overpayments, see C and D below) by instalments, without limit.

C. Director-General, First Assistant Director-General (Policy), Assistant Director-General (Policy and Benefits) and Director (Benefits) as specified -

To write off irrecoverable benefit debts and overpayments, or balances, which do not exceed the respective limits stated below, and/or to approve the recovery by instalments of amounts (without limit) of benefit debts and overpayments or balances thereof.

Benefit	Director-General, First Assistant Director-General (Policy), and Assistant Director-General (Policy and Benefits).			Director (Benefits)	
	Write-off	Recovery by Instalments		Recovery by Instalments	
	£	£		£	
Age & Invalid Pension	200				
Wife's Allowance	104				
Child's Allowance	30				
Widow's Pension					
Class A	200	Without		Without	
Class B	156	limit		limit	
Class C	110				
Tuberculosis Allowance	80				
Maternity Allowance	20				
Child Endowment	50				
Unemployment, Sickness or Special Benefit	60				

D. Director-General, First Assistant Director-General (Policy) and Assistant Director-General (Rehabilitation, Homes and General).

To write off irrecoverable debts and overpayments, or balances, or allowances (rehabilitation) which do not exceed the respective limits stated below and/or to approve the recovery by instalments of amounts (without limit) of debts or overpayments or balances thereof.

	£
Rehabilitation Allowance	50
Training Allowance	20
Allowance to wife of rehabilitee	20
Allowance to child of rehabilitee	10
Living-away-from-home Allowance	10
Fares Allowance	10

E. Director

- (i) To write off losses or deficiencies of public moneys which do not exceed £10 in any one case.
- (ii) To write off irrecoverable amounts of revenue, irrecoverable debts and overpayments (as distinct from irrecoverable benefit debts and overpayments, see F below) which do not exceed £20.
- (iii) To write off the value of stores condemned, obsolete or unserviceable through fair wear and tear where the original value in the aggregate did not exceed £200.
- (iv) To write off the value of stores lost, deficient or unserviceable other than through fair wear and tear where the original value in the aggregate did not exceed £50.
- (v) To take on charge excess stores, irrespective of value.
- (vi) To approve of the recovery of debts and overpayments (as distinct from benefit debts and overpayments, see F below) by instalments.

F. Director, Assistant Director (Pensions, Family Allowances, Unemployment and Sickness Benefits or Rehabilitation, whichever applicable), Accountant and Senior Pensions Officer as specified hereunder --

To write off irrecoverable benefit debts and overpayments, or balances, and/or to approve of the recovery by instalments of benefit debts and overpayments, or balances, as specified and within the limits stated.

Benefit	Director, Asst. Director (Pensions, Family Allowances, Unemployment and Sick- ness Benefits or Rehab- ilitation, whichever is applicable).		Accountant (Treasury and General) in New South Wales, Victoria, Queens- land, South Australia and West Australia		Senior Pensions Officers in New South Wales and Victoria
	Write off	Recovery by Instalments	Write off	Recovery by Instalments	Recovery by Instalments
	£	£	£	£	£
Age or Invalid Pension	100	300	8	30	300
Wife's Allowance	52	160	8	30	160
Child's Allowance	20	50	8	30	50
Widow's Pension Class A	100	300	8	30	300
Class B	80	250	8	30	250
Class C	30	170	8	30	170
Tuberculosis Allowance	40	200	8	30	200
Maternity Allowance	10	30	8	20	
Child Endowment	25	100	8	30	
Unemployment, Sickness or Special Benefit	40	100	8	30	
Rehabilitation Allowance	10	80	8	30	
Training Allowance	10	30	8	20	
Allow.to wife of rehabilitee	10	30	8	20	
Allow.to child of rehabilitee	5	20	5	10	
Living-away-from-home Allow.	10	30	8	20	
Fares Allowance	5	20	5	10	
Other Rehabilitation Debts	(Dir- ector only, £20 see E(iii))	(Director Without limit, Asst.Director Rehab., £40)			

G. Regional Officer, Newcastle - Regional Registrars at decentralised offices - Regional Registrars at non-decentralised offices - Registrars of Unemployment and Sickness Benefits as specified hereunder -

To write off irrecoverable benefit debts and overpayments, or balances, and/or to approve of the recovery by instalments of benefit debts and overpayments, or balances, as specified and within the limits stated below.

Benefit	Regional Officer, Newcastle		Regional Registrars at Decent- ralised Offices	Regional Regis- trars at Non- Decentralised Offices and Registrars of Unemployment and Sickness Benefits
	Write Off	Recovery by Instalments	Recovery by Instalments	Recovery by Instalments
	£	£	£	£
Age or Invalid Pension	100	300	300	
Wife's Allowance	52	160	160	
Child's Allowance	20	50	50	
Widow's Pension				
Class A	100	300	300	
Class B	80	250	250	
Class C	30	170	170	
Unemployment, Sickness or Special Benefit	20	60	30	30

Delegations by the Minister for Social Services under
Audit Act (1901-1962) to incur expenditure
(Treasury Regulation 48(2))

The Schedule below sets out as at 1st October, 1963, the limits of the delegations issued by the Minister to incur expenditure for general requirements. While the delegations have been issued to the normal occupants of the positions mentioned, the delegations may be exercised by officers acting in the positions.

1	2	3	4	5	6
	Supplies & Services other than those in columns 3-6	Repairs & Maintenance, New Works, Furniture, Fittings	Printing	Postage Stamps	All Expenditure for Rehab. Purposes
	£	£	£	£	£
<u>Central Administration</u>					
Director-General	5,000	5,000	Without Limit	500	5,000
First Asst. Director-General (Operations)	5,000	5,000	"	500	5,000
Director (Finance)	2,500	2,500	"	250	2,500
Chief Accountant	500	500	"	250	500
Accountant	250	250	"	150	-
<u>State Headquarters</u>					
<u>Sydney</u> Director	1,000	1,000	500	250	1,000
Asst. Director (Management)	(a)	(a)	(a)	(a)	(a)
Admin. Officer	250	250	250	250	-
Asst. Director (Rehab.)	-	-	-	-	200
<u>Melb.</u> Director	1,000	1,000	500	250	1,000
Asst. Director (Management)	(a)	(a)	(a)	(a)	(a)
Asst. Director (Admin.)	-	25(b)	-	-	-
<u>Bris.</u> Director	1,000	500	500	250	1,000
Asst. Director (Admin.)	-	25(b)	-	-	-
<u>Adol.</u> Director	500	500	250	250	1,000
Asst. Director (Admin.)	-	25(b)	-	-	-
<u>Porth</u> Director	500	500	250	250	1,000
Personnel Officer	-	25(b)	-	-	-
<u>Hobart</u> Director	250	250	100	100	500
Admin. Officer	-	25(b)	-	-	-
<u>Regional Offices</u>					
Regional Registrars	-	25(b)	-	-	-
<u>Rehabilitation Centres</u>					
All States - Managers	-	25(b)	-	-	-

(a) Similar delegations to those of the Director, but to be exercised only during the absence of the Director on official business.

(b) Relates solely to repairs and maintenance and minor new works (but not to furniture and fittings) to be executed by this Department to the limit of £25 in any one instance without reference to the Department of Works. Other officers holding higher appropriate delegations may also approve such expenditure.

DEPARTMENT OF SOCIAL SERVICES
STAFF AND ESTABLISHMENTS, STATE BRANCHES AS AT 30TH JUNE, 1953

BRANCH	NEW SOUTH WALES						VICTORIA						QUEENSLAND						SOUTH AUSTRALIA						WEST AUSTRALIA						TASMANIA					
	Estab.			Staff			Estab.			Staff			Estab.			Staff			Estab.			Staff			Estab.			Staff			Estab.			Staff		
	P	T	T/L	P	T	T/L	P	T	T/L	P	T	T/L	P	T	T/L	P	T	T/L	P	T	T/L	P	T	T/L	P	T	T/L	P	T	T/L	P	T	T/L			
ADMINISTRATION	32	12	44	16	14	30	26	11	37	10	26	36	18	15	33	16	11	27	13	9	22	12	9	21	11	-	11	5	2	7	4	-	4			
	153	48	201	146	59	205	115	11	126	70	57	127	62	7	69	51	16	67	43	2	43	32	11	43	36	3	39	35	4	39	21	3	24	21		
PENSIONS																																				
FAMILY ALLOWANCES	148	20	168	111	68	179	126	1	127	59	70	129	62	-	62	47	20	67	38	-	38	29	8	37	33	-	33	24	10	34	10	8	18	11		
ACCOUNTS	39	28	67	38	15	53	54	1	55	26	32	58	33	-	33	23	10	33	14	5	19	16	6	22	15	7	22	20	2	22	4	1	5	3	2	5
UNEMPLOYMENT AND SICKNESS BENEFITS	47	59	106	75	24	99	-	58	58	37	23	60	24	9	33	28	7	35	19	2	21	16	5	21	20	2	22	17	4	21	5	-	5	5	-	5
INTERNAL AUDIT	12	11	23	21	2	23	9	7	16	10	4	14	9	4	13	13	-	13	4	3	7	6	1	7	5	3	8	7	2	9	3	1	4	3	1	4
OUTDOOR INQUIRY	22	1	23	22	-	22	18	5	23	15	6	21	12	1	13	13	1	14	8	-	8	8	-	8	5	-	5	5	-	5	3	-	3	2	-	2
REGIONAL OFFICES	53	6	59	46	16	62	30	8	39	21	15	36	37	4	41	34	8	42	5	-	5	3	2	5	-	-	-	-	-	-	-	7	7	-	7	
SOCIAL WORK	5	10	15	5	6	11	4	5	9	2	7	9	3	2	5	1	2	3	2	3	5	2	3	5	2	3	5	2	1	3	1	2	3	-	-	
REHABILITATION	27	1	28	25	3	28	22	2	24	12	7	19	23	2	25	22	-	22	15	2	17	11	5	16	11	3	14	12	1	13	3	-	3	3	-	3
REHAB. CENTRES	2	61	63	2	54	56	2	59	61	2	63	65	3	40	43	4	41	45	2	42	44	2	41	43	2	30	32	2	30	32	-	-	-	-	-	-
TOTAL	540	257	797	507	261	768	405	163	568	263	304	567	286	84	370	252	116	368	161	68	229	137	91	228	140	51	191	129	56	185	61	15	76	59	11	70

TOTALS

	Estab.			Staff		
	P	T	T/L	P	T	T/L
CENTRAL STAFF	101	3	104	96	7	103
STATES	1593	638	2231	1347	832	2186
	1694	641	2335	1443	846	2289

DEPARTMENT OF SOCIAL SERVICES

STAFF AND ESTABLISHMENTS, STATE BRANCHES AS AT 30TH JUNE, 1959

BRANCH	NEW SOUTH WALES						VICTORIA						QUEENSLAND						SOUTH AUSTRALIA						WEST AUSTRALIA						TASMANIA					
	Estab.			Staff			Estab.			Staff			Estab.			Staff			Estab.			Staff			Estab.			Staff			Estab.			Staff		
	P	T	T/L	P	T	T/L	P	T	T/L	P	T	T/L	P	T	T/L	P	T	T/L	P	T	T/L	P	T	T/L	P	T	T/L	P	T	T/L	P	T	T/L			
ADMINISTRATION	41	5	46	23	19	45	45	3	68	45	25	67	26	2	30	32	3	35	29	8	3	21	-	21	15	7	22	13	-	13	7	1	8	-	-	
PENSIONS	194	34	232	172	23	110	100	1	129	54	45	129	74	11	55	56	4	51	47	6	5	40	1	47	32	11	44	17	-	17	19	2	22	-	-	
FAMILY ALLOWANCES	97	7	106	82	34	111	106	1	109	61	45	109	70	16	86	80	6	84	42	2	45	36	10	46	27	10	37	15	-	15	3	1	15	-	-	
ACCOUNTS	115	2	124	96	25	121	56	5	61	39	25	62	33	1	34	35	1	36	24	-	24	21	2	23	14	9	23	8	-	8	5	3	8	-	-	
UNEMPLOYMENT AND SICKNESS BENEFITS	57	29	86	65	18	83	37	24	61	41	18	59	25	16	41	42	-	42	14	6	20	17	3	20	19	6	25	23	3	26	3	-	3	-	3	
INTERNAL AUDIT	21	2	23	22	-	22	16	4	20	13	6	19	14	-	14	16	-	16	6	1	7	7	-	7	7	-	7	1	8	4	-	4	5	-	5	
OUTDOOR INQUIRY	36	-	36	35	-	35	19	1	20	20	-	20	16	-	16	17	-	17	8	-	8	8	-	8	6	-	6	6	-	6	3	-	3	-	3	
REGIONAL OFFICES	111	23	134	91	42	133	76	5	81	60	20	80	52	3	55	49	7	56	4	1	5	5	-	5	-	-	-	-	-	-	-	-	-	-	-	
SOCIAL WORK	8	2	10	5	5	10	5	5	10	4	1	5	5	-	5	2	1	3	4	1	5	3	6	5	-	5	3	-	3	1	2	3	1	-	1	
REHABILITATION	26	1	27	23	4	27	22	1	23	16	8	24	25	1	26	23	2	25	16	1	17	12	4	16	11	1	12	10	2	12	3	-	3	-	3	
REHAB. CENTRES	4	68	72	11	58	69	8	66	74	5	66	71	-	42	42	8	35	43	3	49	52	4	38	42	3	33	36	5	30	35	-	-	-	-	-	
TOTAL	712	184	896	635	234	869	492	164	656	394	251	645	342	92	434	378	63	441	190	88	278	195	67	262	170	52	222	143	73	216	74	3	77	65	11	76

TOTALS

	Establishment			Staff		
	P	T	T/L	P	T	T/L
CENTRAL STAFF	106	16	122	90	19	109
STATES	1980	583	2563	1810	699	2509
	2086	599	2685	1900	718	2618

DEPARTMENT OF SOCIAL SERVICES

STAFF AND ESTABLISHMENTS. STATE BRANCHES AS AT 30TH JUNE, 1960

BRANCH	NEW SOUTH WALES						VICTORIA						QUEENSLAND						SOUTH AUSTRALIA						WEST AUSTRALIA						TASMANIA						
	Estab.			Staff			Estab.			Staff			Estab.			Staff			Estab.			Staff			Estab.			Staff			Estab.			Staff			
	P	T	T+L	P	T	T+L	P	T	T+L	P	T	T+L	P	T	T+L	P	T	T+L	P	T	T+L	P	T	T+L	P	T	T+L	P	T	T+L	P	T	T+L				
ADMINISTRATION	52	11	63	40	31	71	8	1	9	28	18	46	43	1	45	43	—	45	—	45	2	34	31	6	37	22	—	22	15	7	22	43	—	13	9	3	12
PENITENT	225	18	243	194	47	241	11	1	12	98	41	139	74	4	78	82	—	71	50	1	51	54	4	58	40	3	42	24	11	34	19	—	19	20	2	22	
FAMILY ALLOWANCES	103	—	103	78	28	106	86	—	86	47	32	79	66	—	66	85	—	65	51	1	42	30	3	22	18	—	18	10	3	19	15	—	15	12	3	16	
ACCURYS	114	13	127	97	28	125	89	3	92	74	26	100	55	3	34	43	8	49	32	—	32	30	3	33	31	1	32	29	6	35	8	—	8	6	2	8	
UNEMPLOYMENT AND SICKNESS BENEFITS	57	12	69	50	16	66	53	5	58	34	17	51	36	5	41	40	1	41	16	3	19	18	3	21	19	6	25	24	2	26	3	—	3	4	—	4	
INTERNAL AUDIT	21	4	25	24	—	24	16	4	20	14	4	18	13	—	13	13	—	13	6	—	6	7	—	7	4	—	4	—	4	—	4	—	4	—	4	—	4
OUTDOOR INQUIRY	38	—	38	36	—	36	19	1	20	19	—	19	15	1	16	16	—	16	8	—	8	8	—	8	6	—	6	—	6	—	6	—	6	—	6	—	6
REGIONAL OFFICES	123	19	142	99	40	139	82	5	87	59	26	85	58	—	58	51	5	56	4	1	5	5	—	5	—	—	—	—	—	—	—	—	—	—	—	—	—
SOCIAL WORK	10	1	11	4	6	10	5	2	7	2	1	3	5	—	5	3	—	3	4	2	6	3	3	6	5	—	5	—	5	—	5	—	5	—	5	—	5
REHABILITATION	27	2	29	25	5	30	23	1	24	13	8	21	23	4	27	22	3	25	14	1	15	12	3	15	11	1	12	9	2	11	3	—	3	—	3	—	3
REHAB. CENTRES	13	61	74	10	60	70	9	70	79	8	70	78	3	42	45	8	36	44	4	48	52	6	38	44	3	33	36	7	30	37	—	—	—	—	—	—	—
TOTAL	783	141	924	657	252	909	534	99	633	396	243	639	367	61	428	373	55	428	194	65	259	194	62	256	459	43	202	134	68	202	77	2	79	71	11	82	

TOTALS

	P	$\frac{\text{Establishment}}{T}$	$\frac{T}{T \cdot L}$	P	$\frac{T}{T \cdot L}$	$\frac{\text{Staff}}{T \cdot L}$
	108	10	118	75	33	108
<u>CENTRAL STATES</u>	2114	411	2525	1825	691	2516
<u>STATES</u>	2222	421	2643	1900	724	2624

STATE AND ESTABLISHMENTS. STATE BRANCHES AS AT 30TH JUNE, 1961.

BRANCH	NEW SOUTH WALES						VICTORIA						QUEENSLAND						SOUTH AUSTRALIA						WEST AUSTRALIA						TASMANIA					
	Estab.			Staff			Estab.			Staff			Estab.			Staff			Estab.			Staff			Estab.			Staff			Estab.			Staff		
	F	T	TTL	F	T	TTL	F	T	TTL	F	T	TTL	F	T	TTL	F	T	TTL	F	T	TTL	F	T	TTL	F	T	TTL	F	T	TTL	F	T	TTL			
ADMINISTRATIVE																																				
PENSIONS																																				
FAMILY ALLOWANCES																																				
ACCOUNTS																																				
EMPLOYMENT AND SICKNESS BENEFITS	57	5,100	74	4	119	53,29	82	50	3	21	31,48	95	46	5	55	4,12	10	3	4	19	5	25	21	4	25	2	4	4	4	4	4	4	4	4		
INTERNAL AUDIT	21	21	19	1	20	16	3	19	13	5	18	13	13	12	12	6	6	6	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4		
OUTDOOR INQUIRY	38	1	39	39	39	19	1	20	19	1	20	15	15	15	8	8	8	8	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6		
REGIONAL OFFICES	163	22	185	128	54	182	82	15	97	58	38	96	58	10	68	58	13	71	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5		
SOCIAL WORK	10	2	12	3	8	11	5	5	10	5	5	5	5	3	3	5	1	6	4	2	6	5	5	3	3	3	3	3	3	3	3	3	3	3		
REHABILITATION	28	2	30	25	7	32	23	1	24	15	8	23	24	3	27	13	1	14	12	3	15	11	12	10	2	12	3	3	3	3	3	3	3	3		
REHAB. CENTRES	15	59	74	10	63	73	11	71	82	8	74	82	5	41	46	7	38	45	5	48	53	7	39	46	5	31	36	6	30	36	36	36	36	36		
TOTAL	813	215	1028	697	319	1016	549	136	685	378	287	665	361	87	448	372	75	447	200	84	284	199	72	271	161	45	206	138	82	200	79	6	85	57	20	

A. FENDIX NO. 5.
SHEET 4 OF 8 SHEETS.

	Establishment		Staff	
	P	T	P	T
	109	11	100	17
<u>CENTRAL STAFF</u>		120		117
	2163	573	1851	835
<u>STAFF</u>		2736		2686
	2272	584	1951	852
<u>TOTALS</u>		2856		2803

DEPARTMENT OF SOCIAL SERVICES
STAFF AND ESTABLISHMENTS, STATE BRANCHES AS AT 30TH JUNE, 1962

BRANCH	NEW SOUTH WALES						VICTORIA						QUEENSLAND						SOUTH AUSTRALIA						WEST AUSTRALIA						TASMANIA					
	Etab.			Staff			Etab.			Staff			Etab.			Staff			Etab.			Staff			Etab.			Staff			Etab.			Staff		
	P	T	T/L	P	T	T/L	P	T	T/L	P	T	T/L	P	T	T/L	P	T	T/L	P	T	T/L	P	T	T/L	P	T	T/L	P	T	T/L	P	T	T/L			
ADMINISTRATIVE																																				
GEN. SER.																																				
FAMILY ALLOWANCES																																				
ACCOUNTS																																				
UNEMPLOYMENT AND SUGGESTION BENEFITS	27	11	91	2	11	24	2	4	20	15	5	18	13	1	10	14	1	12	6	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
INTERNAL AUDIT	21	0	21	0	20	16	4	20	15	5	18	13	0	13	1	10	13	0	12	6	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
OUTDOOR INQUIRY	39	2	41	39	1	40	20	2	22	21	1	22	15	1	16	16	0	16	8	0	8	8	0	6	6	0	6	6	0	6	6	0	6	6	0	
REGIONAL OFFICES	169	23	192	144	48	192	82	26	108	73	37	110	58	12	70	56	18	74	5	1	6	4	2	6	7	2	2	4	7	3	3	1	2	3	1	
SOCIAL WORK	12	0	12	5	4	9	7	4	11	5	4	8	8	0	8	5	0	5	5	1	7	2	2	4	7	0	7	3	0	3	1	2	3	1		
REHABILITATION	28	2	30	25	6	31	23	1	24	18	5	23	24	5	29	24	3	27	13	2	15	16	1	17	12	12	9	2	11	3	1	4	4	0		
REHAB. CENTRES	17	58	75	14	57	71	13	70	83	7	74	81	5	39	44	6	38	44	5	49	54	6	40	46	5	30	36	6	30	36	6	30	36	6	30	
TOTAL	851	226	1077	816	252	1068	561	194	755	457	302	759	374	92	466	401	74	475	201	97	298	213	78	291	172	42	214	140	71	211	79	12	91	77	12	

TOTALS	ESTABLISHMENT						STAFF					
	P	T	T/L	P	T	T/L	P	T	T/L	P	T	T/L
CENTRAL STAFF	120	11	131	96	14	110	2238	663	2901	2104	789	2893
STATES	2238	663	2901	2200	803	3003						

**DEPARTMENT OF SOCIAL SERVICES
STAFF AND ESTABLISHMENTS, STATE BRANCHES AS AT 30TH JUNE, 1963**

	NEW SOUTH WALES						VICTORIA						QUEENSLAND						SOUTH AUSTRALIA						WEST AUSTRALIA						TASMANIA					
	Estab.			Staff			Estab.			Staff			Estab.			Staff			Estab.			Staff			Estab.			Staff			Estab.			Staff		
	P	T	TTL	P	T	TTL	P	T	TTL	P	T	TTL	P	T	TTL	P	T	TTL	P	T	TTL	P	T	TTL	P	T	TTL	P	T	TTL	P	T	TTL			
ADMINISTRATION																																				
PENSIONERS																																				
PATROL ASSISTANTS																																				
ACCIDENTS																																				
UNEMPLOYMENT AND SICKNESS BENEFITS	5	4	9	1	1	2	5	4	9	1	1	2	5	4	9	1	1	2	5	4	9	1	1	2	5	4	9	1	1	2	5	4	9	1	1	2
INTERNAL AUDIT	2	1	3	1	1	2	1	1	2	1	1	2	1	1	2	1	1	2	1	1	2	1	1	2	1	1	2	1	1	2	1	1	2	1	1	2
OUTDOOR INQUIRY	4	1	5	4	1	5	4	1	5	4	1	5	4	1	5	4	1	5	4	1	5	4	1	5	4	1	5	4	1	5	4	1	5	4	1	5
REGIONAL OFFICES	170	48	218	169	49	218	94	27	121	81	42	123	69	10	79	60	16	76	6	6	12	5	8	13	5	5	10	4	4	8	3	3	6	3	6	
SOCIAL WORK	12	1	13	4	4	8	7	4	11	4	5	9	7	2	9	4	2	6	6	1	7	4	4	8	7	2	9	4	2	6	6	1	7	4	4	
REHABILITATION	28	3	31	28	5	33	23	1	24	16	8	24	24	4	28	30	3	33	13	5	18	16	2	18	12	9	3	12	3	1	4	4	1	4		
REHAB. CENTRES	17	58	75	13	61	74	13	69	82	10	70	80	5	44	49	5	40	46	5	42	47	8	36	44	6	30	36	6	31	37	1	1	2	2		
TOTAL	863	224	1087	851	227	1078	603	175	778	475	268	743	393	79	472	412	67	479	210	86	296	231	62	293	175	42	217	145	72	217	80	30	110	78	25	10

TOTALS

Establishment

Staff

	P	T	TTL	P	T	TTL
CENTRAL STAFF	124	11	135	111	11	122
STATES	2324	636	2960	2192	721	2913
	2448	647	3095	2303	732	3035

DEPARTMENT OF SOCIAL SERVICES

STAFF AND ESTABLISHMENTS, STATE BRANCHES AS AT 31ST MARCH, 1964

	NEW SOUTH WALES						VICTORIA						QUEENSLAND						SOUTH AUSTRALIA						WEST AUSTRALIA						TASMANIA					
	Estat.			Staff			Estat.			Staff			Estat.			Staff			Estat.			Staff			Estat.			Staff			Estat.			Staff		
	P	T	T'L	F	T	T'L	P	T	T'L	F	T	T'L	P	T	T'L	F	T	T'L	P	T	T'L	F	T	T'L	P	T	T'L	F	T	T'L	P	T	T'L			
ADMINISTRATION	2	1	3																																	
PENSIONS																																				
FAMILY ALLOWANCES																																				
ACCOUNTS																																				
UNEMPLOYMENT AND SICKNESS BENEFITS	51	4	55	8	14	22	54	7	61	68	11	79	41	4	45	45	17	13	30	14	4	18	22	34	2	1	3	3	4	7	2	2	4	5	6	
INTERNAL AUDIT	21	-	21	17	-	17	19	-	19	15	-	15	12	-	12	12	8	-	8	8	-	8	9	2	-	9	6	-	6	4	-	4	4	-	4	
OUTDOOR INQUIRY	41	-	41	40	1	41	22	-	22	20	1	21	15	1	16	15	1	16	8	1	9	2	-	9	6	-	6	6	-	6	3	-	3	3	-	
REGIONAL OFFICES	202	20	222	180	46	226	99	22	121	85	37	122	76	19	95	72	22	94	6	-	6	5	1	6	-	-	-	-	-	-	8	2	10	8	2	10
SOCIAL WORK	12	-	12	5	6	11	7	4	11	7	3	10	7	3	10	5	3	8	6	1	7	4	2	6	7	1	8	5	2	7	2	2	4	2	1	
REHABILITATION	32	-	32	29	5	34	24	1	25	16	8	24	25	1	26	25	1	26	13	6	19	18	2	20	12	-	12	9	3	12	4	-	4	5	-	
REHAB. CENTRES	19	58	77	13	65	78	18	63	81	11	69	80	7	43	50	7	41	48	5	43	48	8	39	47	6	30	36	6	33	39	-	-	-	-	-	
TOTAL	893	207	1100	879	225	1104	616	140	756	492	271	763	396	77	473	390	78	468	210	95	305	241	65	306	177	49	226	148	77	225	87	21	108	81	21	108

TOTALS

	Establishment			Staff		
	P	T	T'L	P	T	T'L
CENTRAL STAFF	126	11	137	111	13	124
STATES	2379	589	2968	2231	737	2968
	<u>2505</u>	<u>600</u>	<u>3105</u>	<u>2342</u>	<u>750</u>	<u>3092</u>

DEPARTMENT OF SOCIAL SERVICES
STAFF AND ESTABLISHMENTS, STATE BRANCHES AS AT 30TH JUNE, 1965

Branch	New South Wales						Victoria						Queensland						South Australia						West Australia						Tasmania					
	Estab.			Staff			Estab.			Staff			Estab.			Staff			Estab.			Staff			Estab.			Staff			Estab.			Staff		
	P	T	T/L	P	T	T/L	P	T	T/L	P	T	T/L	P	T	T/L	P	T	T/L	P	T	T/L	P	T	T/L	P	T	T/L	P	T	T/L	P	T	T/L			
ADMINISTRATION	45	11	16	59	51	44	55	57	40	51	41	55	41	55	57	41	55	41	55	41	55	41	55	41	55	41	55	41	55	41	55	41	55			
PENSIONS	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1			
FAMILY ALLOWANCES	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1			
ACCOUNTS	15	4	15	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14			
UNEMPLOYMENT AND SICKNESS BENEFITS	56	17	73	61	11	72	56	11	67	40	21	61	44	12	56	44	12	56	44	12	56	44	12	56	44	12	56	44	12	56	44	12	56			
INTERNAL AUDIT	21	2	21	19	1	19	19	1	19	15	1	15	12	1	12	12	1	12	12	1	12	12	1	12	12	1	12	12	1	12	12	1	12			
OUTDOOR INQUIRY	41	1	41	40	1	41	22	1	22	20	1	21	16	1	16	16	1	16	16	1	16	16	1	16	16	1	16	16	1	16	16	1	16			
REGIONAL OFFICES	207	10	217	181	36	217	101	29	130	97	34	131	88	5	93	82	10	92	6	9	9	9	9	9	9	9	9	9	9	9	9	9	9			
SOCIAL WORK	12	1	13	7	6	13	10	4	14	7	4	11	7	4	10	6	2	8	6	2	8	6	2	8	6	2	8	6	2	8	6	2	8			
REHABILITATION	32	1	32	28	4	32	25	1	25	14	1	25	25	2	27	26	1	27	19	1	19	16	3	19	11	1	11	9	2	11	4	2	11			
REHAB. CENTRES	40	6	46	12	70	62	16	66	84	11	12	83	8	4	49	7	43	50	6	39	47	8	36	44	6	31	37	5	32	37	1	32	37			
TOTAL	933	152	1085	855	216	1071	638	142	780	491	254	755	418	60	478	406	68	474	237	75	312	249	53	308	189	44	233	155	72	227	93	6	99			

TOTALS

ESTABLISHMENT

STAFF

P	T	T/L
148	10	158
2508	479	2987
2656	489	3145
2243	684	2927
2371	699	3070

CENTRAL STAFF

STATES

DEPARTMENT OF SOCIAL SERVICES

STAFF TRAINING PROGRAMME - 1964

Type of Course	Number of Courses							
	C.O.	H.S.W.	VIC.	Q'ID.	S.A.	W.A.	T.A.S.	TOTAL
New Entrants								
(a) Third Division	-	4	-	1	1	-	-	6
(b) Fourth Division	-	4	-	1	1	-	-	6
(c) Combined	1	-	4	-	-	-	1	6
Supervision								
(a) General Course	-	1	2	1	1	3	1	9
(b) Work Documentation & Job Instruction	-	-	-	1	-	-	-	1
(c) Work Simplification	-	-	-	-	-	2	-	2
Instructional Techniques								
(a) Instructors	-	-	1	-	-	-	-	1
(b) Session Leaders	-	4	-	-	-	-	-	4
Clerical & Office Skills								
(a) Correspondence (inc. Report & Submission Writing)	1	*	2	1	1	3	-	8
(b) Dictation Techniques	-	-	-	-	2	2	-	2
(c) Public Relations & Interviewing	-	-	-	2	-	-	-	2
(d) Data Processing Familiarisation	-	-	-	-	-	-	-	1
(e) Decimal Currency	-	1	1	-	-	-	-	1
(f) Basic English for Typists	-	-	-	-	-	-	-	1
(g) Typists - General	-	-	-	-	1	-	-	1
(h) Typists shorthand	1	1	-	-	-	-	-	2
(i) Card Punch Operators	-	1	-	-	-	-	-	1
(j) Registry Procedures	-	-	1	-	-	-	-	1
(k) Reading Improvement	1	-	-	-	-	-	-	1

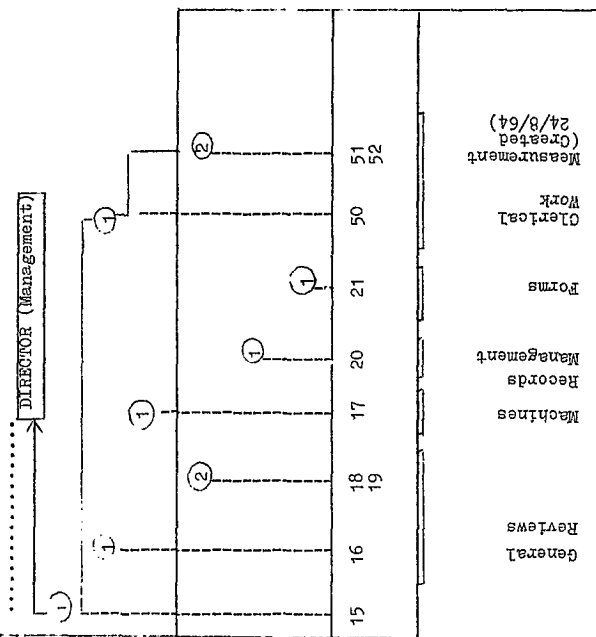
STAFF TRAINING PROGRAMME - 1964

Type of Course	Number of Courses							
	C.O.	N.S.W.	VIC.	Q'ld.	S.A.	V.A.	TAS.	TOTAL
<u>Procedural Training</u>								
(a) Special Magistrates	-	-	1	1	1	-	-	3
(b) Examiners-in-Training	-	1	1	-	-	-	-	2
(c) Pensions Examiners Grade 1 and Grade 2	-	2	3	1	1	-	-	7
(d) Pensions Officers & Authorisers	-	1	3	-	-	-	-	4
(e) P.A. Examining	-	4	2	1	1	-	-	8
(f) U. & S.B. Assessing	-	5	2	1	1	-	-	9
(g) Accounting Procedures	-	3	2	1	-	-	-	5
(h) Internal Audit Procedures	-	-	-	-	-	-	-	1
(i) F.A. Payment Section	-	-	1	-	-	-	-	1
(j) F.A. & Accounts Branches	-	-	-	-	-	-	-	1
(k) Funched Card Procedures	-	-	-	-	1	-	-	1
(l) Vocational Counsellors	-	1	-	-	-	-	-	1
(m) Rehabilitation Procedures	-	2	-	1	-	-	-	3
(n) Regional Office Work	-	4	4	5	-	-	-	13
(o) Counter Duties	-	-	1	1	1	-	-	4
(p) Outdoor Inquiry Procedures	-	1	1	1	-	-	1	4
	4	40	32	20	13	10	4	123
Estimated Number of Officers to attend	30	320	300	220	95	100	45	1,110

* continuing courses
 φ in N.S.W. correspondence is included in procedural courses.

CENTRAL ADMINISTRATION
OPERATIONS DIVISION
ESTABLISHMENTS BRANCH
O. & M. SECTION

Designation	Salary Scale £	Number of Positions	
		P. T.	Tot.
THIRD DIVISION.			
Director	2738-2882	1	1
Inspector (O. & M.)	2450-2594	2	2
Assist. Inspector (O. & M.)	2162-2306	1	1
Asst. Insp. (O. & M.)	2029-2162	4	4
Registrar	2029-2162	1	1
Clerk	1663-1907	1	1
Position Numbers			
No. of Positions		10	10



MAJOR ASSIGNMENTS - O. & M. SECTION - 1/4/61 TO 31/9/65

APPENDIX NO. 8

Division or Branch	Scope of Assignment	Summary of Major Results
Pensions Branch (all States except Tasmania)	Prepare procedures for grants and variations of pensions to obtain maximum benefits from use of Type 026 Printing Punch Machine.	Considerable improvement in work flow, reduction in file movement and significant staff savings.
Pensions Branch (Queensland)	Total Branch review.	Agreement reached on 82 out of 89 recommendations designed to improve procedures, work flow and general branch efficiency.
Pensions Branch (All States)	Examine and improve procedures relating to payment of pensions to inmates of benevolent homes and other institutions.	Procedure for payment by punched card system implemented with considerable savings in preparation of payment schedules. Manual entering in pay registers eliminated.
Pensions Branch (Sth. Aust.)	Total Branch review	Agreement reached on 69 out of 70 recommendations designed to improve procedures, work flow and General Branch efficiency.
Pensions Branch (All States)	Devise and introduce procedures to identify cases eligible under amending legislation of 1963 increasing various classes of pensions.	Program devised which enabled increases to be made available in the due date without disruption to the normal processes of the Department.
Pensions Branch (All States)	Complete review of forms in use not currently printed or controlled.	Uniformity of design and content achieved in forms so far reviewed with amalgamation of similar forms and elimination of unnecessary forms.
Pensions, Family Allowances, Accounts, (all States Hdqrs. and Regional Offices)	Prepare procedures for the handling of pension and child endowment order books returned to the Department.	Procedures implemented with savings in recording and more effective controls.

Division or Branch	Scope of Assignment	Summary of Major Results.
Pension and Family Allowance (all States)	Devise procedures to avoid recall of order books in interstate transfers of pension (except Tasmania) or endowment and re-issue on new State.	Delay in restoring payment medium in order book cases eliminated.
Pension and Family Allowance Branch (Tasmania)	Plan and supervise the introduction of a punched card installation for payment of child endowment, pension and Repatriation Department payments.	Child endowment, Pension and Repatriation payments brought under punched card system with savings to both Departments.
Family Allowances Branch (all States)	Examine and improve problems of file movement, work flow and layout.	New procedures introduced to virtually eliminate file movement after determination of eligibility.
Family Allowance Branch (all States)	Prepare procedures for decentralization of the functions of Family Allowance Branches to Regional Offices.	Increased efficiency in payment of child endowment and maternity allowances and better service to the public.
Family Allowances (all States)	Devise and introduce procedures to enable endowment rates to be varied or terminated as each child turns 16 years of age without reference to files.	Large financial savings and expedition of work flow. Processing time reduced considerably.
Family Allowances and Accts. Branch (all States)	Prepare procedures, flow charts and necessary forms and cards to implement 1963 legislation for increased child endowment and payment of student child endowment.	Program devised whereby payments effected without interruption to normal routine and made available on due date.
Accounts Branch (all States)	Review procedures of order book and cheque control accounts.	New control account procedures introduced to effect proper control and accounting.
Unemployment and Sickness Benefits Branch (N.S.W.)	Total Branch review.	Agreement reached on 35 out of 40 recommendations designed to improve work flow, procedures and general branch efficiency.

Division or Branch	Scope of Assignment	Summary of Major Results.
Unemployment & Sickness Benefits Branch (all States)	Prepare procedures and forms for implementation of 1962 legislation increasing rates of benefits.	Procedures introduced enabled immediate identification and payment of all benefits affected by legislation.
Central Administration	Plan move of office and staff from Melbourne to Canberra including office accommodation, layout, housing, etc.,	Minimum interruption to work of office.
Family Allowances and Accounts Branch (all States)	Prepare procedures for review of student child endowment at end of school year to determine whether endowment to continue.	Using punched card equipment to maximum extent, review completed within allotted time table.
Family Allowances Branch (all States)	Carry out joint investigation with Establishments Branch following increased work volume due to introduction of student child endowment.	Two major States reviewed to date, and recommendations made to improve organization and work flow.
Accounts Branch (all States)	Plan for issue of payment authorities in decimal currency values and prepare necessary procedures.	Order Books for pensioners and endowees issued after March, 1965 contain orders in dual currency where payable after C-day. Complication of accounting procedures in conversion period will be avoided by this step.

Division or Branch	Scope of Assignment	Summary of Major Results
All Branches (All States)	Examine and report on conversion of benefit Records to decimal currency.	All States advised of extent of conversion and dates set when conversion takes place.
Pensions, Family Allowances and Unemployment & Sickness Benefit Branches (All States)	Carry out Work Measurement investigation in Index areas.	Standard times set for operations and control reporting system introduced in two States to date. Staff savings achieved.
Accounts Branch (All States)	Investigate method of converting punched card records to decimal currency and effect on existing machines and equipment.	Standard procedures prepared together with panel wiring diagrams and action taken to amend existing equipment where necessary.
All Branches (All States)	Investigate effect of decimal currency on existing money machines within the Department.	Orders placed for replacement machines or conversion of existing machines on a Commonwealth wide basis.

DEPARTMENT OF SOCIAL SERVICES
INTERNAL AUDIT ESTABLISHMENT

Designation and Salary Range	Central Admin.	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Total
<u>THIRD DIVISION</u>								
Clerk (£2029-£2162)	1							1
Clerk (£1907-£2029)		1	1					2
Clerk (£1663-£1907)				1	1			2
Clerk (£1419-£1663)	1	8	6	3	1	1	1	21
Clerk (£1175-£1419)		1	1	3	1	1		7
Clerk (£1053-£1297)	1	5	2	2	2		1	13
Clerk (£529 -£1175)		3	6	2	2	2	1	16
<u>FOURTH DIVISION</u>								
Clerical Assistant Gr.4 (£958-£1000)		1	1					2
Total Establishment	3	19	17	11	7	4	3	64

Positions occupied as at 30.7.65	2	19	15	11	7	4	3	61
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BENEFIT STATISTICS

Year Ended 30th June	Age and Sexual Composition Current	Maternity Allowances Paid During Year	Child Endowment (a)		Widows' Gratuity Current	Widow's and Orphan's Allowances Current	Pension Benefits Paid During Year	Unemployment, Sickness and Special Benefits (b)
			Endowed Families	Endowed Children in Families				Granted During Year
1910	65,492							
1911	82,953		487,674	895,559	38,408	11,692	11,129	
1912	89,634		491,121	897,221	42,220	13,608	17,011	13,909
1913	106,682	82,475	503,140	903,577	44,164	15,627	17,011	16,147
1914	108,815	134,598	503,140	903,577	44,597	15,627	21,600	19,711
1915	111,209	138,655	518,293	920,427	44,597	15,627	21,600	19,711
1916	115,222	131,949	533,019	945,542	43,031	18,535	21,600	19,711
1917	121,346	132,406	533,019	945,542	43,031	18,535	21,600	19,711
1918	127,292	132,406	533,019	945,542	43,031	18,535	21,600	19,711
1919	132,406	132,406	533,019	945,542	43,031	18,535	21,600	19,711
1920	136,724	132,406	533,019	945,542	43,031	18,535	21,600	19,711
1921	142,977	140,152	533,019	945,542	43,031	18,535	21,600	19,711
1922	146,917	132,406	533,019	945,542	43,031	18,535	21,600	19,711
1923	152,406	132,406	533,019	945,542	43,031	18,535	21,600	19,711
1924	160,429	134,035	533,019	945,542	43,031	18,535	21,600	19,711
1925	167,353	137,641	533,019	945,542	43,031	18,535	21,600	19,711
1926	180,670	136,171	533,019	945,542	43,031	18,535	21,600	19,711
1927	190,457	132,095	533,019	945,542	43,031	18,535	21,600	19,711
1928	195,157	132,095	533,019	945,542	43,031	18,535	21,600	19,711
1929	209,127	132,304	533,019	945,542	43,031	18,535	21,600	19,711
1930	223,176	128,598	533,019	945,542	43,031	18,535	21,600	19,711
1931	245,982	126,149	533,019	945,542	43,031	18,535	21,600	19,711
1932	260,753	92,470	533,019	945,542	43,031	18,535	21,600	19,711
1933	274,604	75,781	533,019	945,542	43,031	18,535	21,600	19,711
1934	284,604	75,781	533,019	945,542	43,031	18,535	21,600	19,711
1935	278,998	76,442	533,019	945,542	43,031	18,535	21,600	19,711
1936	292,409	76,953	533,019	945,542	43,031	18,535	21,600	19,711
1937	321,251	79,624	533,019	945,542	43,031	18,535	21,600	19,711
1938	326,866	80,916	533,019	945,542	43,031	18,535	21,600	19,711
1939	336,007	77,352	533,019	945,542	43,031	18,535	21,600	19,711
1940	341,139	75,692	533,019	945,542	43,031	18,535	21,600	19,711
1941	341,139	75,692	533,019	945,542	43,031	18,535	21,600	19,711
1942	341,139	75,692	533,019	945,542	43,031	18,535	21,600	19,711
1943	341,139	75,692	533,019	945,542	43,031	18,535	21,600	19,711
1944	341,139	75,692	533,019	945,542	43,031	18,535	21,600	19,711
1945	341,139	75,692	533,019	945,542	43,031	18,535	21,600	19,711
1946	341,139	75,692	533,019	945,542	43,031	18,535	21,600	19,711
1947	341,139	75,692	533,019	945,542	43,031	18,535	21,600	19,711
1948	341,139	75,692	533,019	945,542	43,031	18,535	21,600	19,711
1949	341,139	75,692	533,019	945,542	43,031	18,535	21,600	19,711
1950	341,139	75,692	533,019	945,542	43,031	18,535	21,600	19,711
1951	341,139	75,692	533,019	945,542	43,031	18,535	21,600	19,711
1952	341,139	75,692	533,019	945,542	43,031	18,535	21,600	19,711
1953	341,139	75,692	533,019	945,542	43,031	18,535	21,600	19,711
1954	341,139	75,692	533,019	945,542	43,031	18,535	21,600	19,711
1955	341,139	75,692	533,019	945,542	43,031	18,535	21,600	19,711
1956	341,139	75,692	533,019	945,542	43,031	18,535	21,600	19,711
1957	341,139	75,692	533,019	945,542	43,031	18,535	21,600	19,711
1958	341,139	75,692	533,019	945,542	43,031	18,535	21,600	19,711
1959	341,139	75,692	533,019	945,542	43,031	18,535	21,600	19,711
1960	341,139	75,692	533,019	945,542	43,031	18,535	21,600	19,711
1961	341,139	75,692	533,019	945,542	43,031	18,535	21,600	19,711
1962	341,139	75,692	533,019	945,542	43,031	18,535	21,600	19,711
1963	341,139	75,692	533,019	945,542	43,031	18,535	21,600	19,711
1964	341,139	75,692	533,019	945,542	43,031	18,535	21,600	19,711
1965	341,139	75,692	533,019	945,542	43,031	18,535	21,600	19,711

(a) Children under 16. Student children 16-21 not included.

(b) Includes special benefits payable to migrants in accommodation centres.

DEPARTMENT OF SOCIAL SERVICES - REVENUE, 1958-59 TO 1964-65.

APPENDIX No. 11.

	1952/53	1958/59	1959/60	1960/61	1961/62	1962/63	1963/64	1964/65
Commission and surplus exchange on Imperial Pensions	£ 32,177	£ 46,456	£ 54,973	£ 56,919	£ 54,375	£ 59,203	£ 67,808	
Fees, Fines, Costs of Court	2,457	1,585	2,794	1,795	1,860	1,854	2,157	
Appropriations of Former Years	222	1,076	5,044*	1,257	12,307*	3,599*	18,437*	
Rehabilitation loans - Repayment of Principal and Interest	103	97	183	180	73	50	-	
Unrequited Balances - Trust Fund (Pension Suspense Trust Account)	-	-	-	-	101,824 ⁰	-	-	
Proceeds from Occupational Therapy Projects	-	-	-	-	-	-	4,723	
*State Cheques	59,409	26,428	30,241	16,791	250	-	-	
Commission on Assurance deductions from staff salaries	282	319	366	392	423	775	782	
Conscience Money	97	258	77	859	1,071	722	1,136	
†Sale of Surplus Goods	334	314	481	190	149	-	-	
+Incidentals	7,094	15,144	20,296	14,493	833	1,113	1,366	
	102,175	91,677	114,455	92,876	173,165	67,316	96,406	

The accounting records which contained the details of revenue receipts for 1952/53 were destroyed some years ago as the retention period specified in Treasury Instructions had expired.								
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* Consists mostly of repayment of grants under the Aged Persons Homes Act.

0 Non-recurring in 1963/64 and in the future; Trust Account now closed.

+ "State cheques" and "Incidentals" include state cheques repaid to revenue in some States in years prior to 1962/63; from 1962/63 they are credited to the head of expenditure concerned. Some portions of the amounts opposite "Incidentals" for some States, include receipts under the four headings appearing immediately above "Incidentals" where the States concerned had not previously maintained the five separate dissections.

‡ From 1963/64 on, receipts from sale of surplus goods are included in "Incidentals".

EXPENDITURE ON SOCIAL SERVICE BENEFITS ADMINISTERED BY THE DEPARTMENT OF SOCIAL SERVICES, 1952-53 AND 1958-59 TO 1964-65. APPENDIX No. 12

	1952-53	1958-59	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65
NATIONAL WELFARE FUND								
Funeral Benefits - Age & Invalid Pensioners	270,448	345,600	353,136	367,305	376,216	401,034	405,799	433,082
Age & Invalid Pensions	72,423,900	129,571,447	147,005,341	157,925,892	180,244,590	187,753,563	199,940,178	213,298,645
Widows' Pensions	6,333,689	10,777,127	12,137,248	13,468,519	15,094,520	15,676,704	20,784,316	23,521,956
Maternity Allowances	3,248,305	3,599,102	3,651,499	3,697,771	3,908,336	3,781,360	3,728,660	3,646,784
Child Endowment	53,243,722	67,539,615	62,531,977	74,302,614	66,377,688	67,710,463	84,379,174	86,414,833
Unemployment, Sickness & Special Benefits	6,255,472	8,652,310	7,252,947	7,139,918	15,954,880	14,657,454	10,612,489	7,269,871
General Health Rehabilitation Services	454,557	670,088	680,798	7,693,289	723,261	697,737	744,579	801,890
TOTAL - NATIONAL WELFARE FUND	142,230,093	221,155,289	233,612,946	257,795,308	282,629,431	290,678,335	320,795,195	335,387,061
OTHER SERVICES								
Compassionate Allowances and other payments, special circumstances	74,823	105,406	110,089	108,775	104,913	95,149	83,431	80,630
Housekeeper Service Grant	13,892	13,908	13,916	13,760	13,860	13,700	13,370	12,163
Home for Aged Persons - Grants	-	1,767,470	1,871,748	2,153,551	3,472,514	3,186,201	3,704,013	3,959,725
Pensions to officers on retirement	1,148	567	567	567	568	1,024	3,446	3,463
Supplementation of pensions & allowances	-	4,103	3,542	17,685	16,224	14,927	22,927	15,397
Accommodation for disabled persons - Grants to eligible organisations	-	-	-	-	-	-	-	6,600
Telephone rental concessions to pensioners and others	-	-	-	-	-	-	-	276,180
Exchange on remittances within the O'wealth Imperial Pensions Trust Account adjustment	14,751	19,500	20,792	-	-	476	-	-
U.K. Fellowship in Social Welfare - Contributions towards fares	-	-	-	-	-	-	-	-
Pan-Pacific Rehabilitation Conference - Contributions	-	263	140	-	706	-	-	-
TOTAL : OTHER SERVICES	104,614	1,913,116	2,020,794	2,294,338	3,608,795	3,311,477	3,827,187	4,394,158
WAR AND REPARATION SERVICES								
Compensation payments to former employees etc.	14,531	14,058	14,501	14,974	14,430	14,207	14,180	14,898
Discharged members of women's services etc.	405	1,122	1,345	1,231	1,506	1,743	2,190	2,390
Evacuees - Reception, sustenance & aftercare	130	-	-	-	-	-	-	-
TOTAL : WAR AND REPARATION SERVICES	15,066	15,180	15,846	16,205	15,936	15,950	16,370	17,286
CAPITAL WORKS AND SERVICES								
O'wealth Rehabilitation Service - Plant etc.	-	4,455	4,392	2,159	4,535	4,476	4,889	2,954
GRAND TOTALS	142,349,773	223,068,040	235,633,778	260,108,010	286,258,687	294,010,238	324,643,641	339,801,461

ADMINISTRATIVE EXPENDITURE OF THE DEPARTMENT OF SOCIAL SERVICES, 1952-53 AND 1958-59 TO 1964-65.

APPENDIX No. 13

	1952-53	1958-59	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65
CENTRAL ADMINISTRATION - SALARIES & ALLOWANCES								
Salaries & Allowances	74,553	130,960	153,422	161,425	169,490	186,328	220,702	239,577
Temporary and Casual Employees	18,288	17,038	20,204	19,841	14,930	13,861	13,457	14,441
Extra Duty Pay	328	422	898	495	431	414	1,255	1,848
TOTAL : SALARIES AND ALLOWANCES	93,169	148,420	174,524	181,761	184,851	200,603	234,814	254,866
CENTRAL ADMINISTRATION - ADMINISTRATIVE EXPEN.								
Travelling and Subsistence	6,838	10,191	11,349	10,621	11,070	16,709	15,010	28,755
Postage, Telegrams and Telephone Services	7,727	8,019	8,206	9,885	10,290	10,836	11,287	17,957
Publicity	9,671	3,206	3,142	12,158	4,049	4,722	5,415	13,204
Incidental and other expenditure	4,407	8,316	8,222	7,247	8,547	9,052	9,876	16,343
TOTAL : ADMINISTRATIVE EXPENSES	28,643	29,732	30,919	39,911	34,056	41,319	41,588	76,259
TOTAL : CENTRAL ADMINISTRATION	121,812	178,152	205,443	221,672	218,907	241,922	276,402	331,125
STATE ESTABLISHMENTS - SALARIES & ALLOWANCES								
Salaries and Allowances	980,550	1,617,310	1,896,077	1,941,596	2,145,723	2,281,960	2,533,649	2,680,857
Temporary and Casual Employees	410,067	350,718	392,996	381,911	465,659	420,747	395,724	395,009
Extra Duty Pay	81,900	61,374	78,307	90,367	112,493	80,552	106,656	70,146
TOTAL : SALARIES AND ALLOWANCES	1,472,517	2,029,402	2,367,380	2,413,874	2,723,875	2,783,259	3,036,029	3,146,012
STATE ESTABLISHMENTS - ADMINISTRATIVE EXPEN.								
Travelling and Subsistence	45,506	75,697	80,964	85,766	100,049	97,410	102,066	105,413
Office requisites and equipment, etc.	121,075	193,116	244,871	236,447	278,340	285,455	341,512	292,146
Postage, telegrams and telephone services	200,055	355,392	432,431	484,571	548,775	599,269	633,004	648,745
Office Services	7,915	26,583	24,911	23,838	28,162	30,636	39,783	41,037
Payments for services of Magistrates, Police etc.	12,378	19,114	20,092	23,337	25,936	27,775	28,922	47,414
Payment for services of Registrars of Births/Deaths	2,683	6,474	5,349	5,570	6,718	6,701	6,499	6,844
Medical examinations	13,231	23,854	23,258	26,238	32,028	35,726	39,634	41,213
Commission on benefit payments, etc.	237,800	281,625	291,253	296,778	295,132	449,310	448,860	426,581
Exchange on remittances, etc.	-	-	26,758	21,431	22,645	12,245	-	-
Incidental and other expenditure	27,422	25,758	275	33,000	32,241	34,595	32,298	25,041
Cafeteria Trust Account - Working Advance	-	-	-	-	-	-	-	-
TOTAL : ADMINISTRATIVE EXPENSES	668,065	1,007,613	1,150,162	1,236,976	1,370,026	1,579,122	1,672,578	1,634,434
TOTAL : STATE ESTABLISHMENTS	2,140,582	3,037,015	3,517,542	3,650,850	4,093,901	4,362,381	4,708,607	4,780,446
GRAND TOTAL : ADMINISTRATIVE COSTS	2,262,394	3,215,167	3,722,985	3,872,522	4,312,808	4,604,303	4,985,009	5,111,571
OTHER EXPENDITURE FOR OTHER DEPARTMENTS AND OVERSEAS GOVERNMENTS	-	-	-	-	15,555,753	15,065,230	17,309,704	19,528,446

ADMINISTRATIVE COSTS OF STATE ADMINISTRATIONS, 1922-63

APPENDIX NO. 14

ITEM	STATE						TOTAL
	H.S.N.	VIC.	Q'LD.	S.A.	N.S.W.	TAS	
<u>Staff Costs - Salaries</u>							
Permanent Officers	850,852	529,423	430,739	227,628	161,798	81,520	2,281,960
Temporary and Exempt Employees	151,471	166,902	30,767	25,200	31,877	14,530	420,747
Extra Duty Pay	45,626	14,492	8,920	4,280	3,745	3,489	80,552
<u>Total Staff Costs</u>	1,047,949	710,817	470,426	257,108	197,420	99,539	2,783,259
<u>Administration Costs</u>							
Travelling and Subsistence	42,938	20,985	21,270	4,701	4,632	2,885	97,411
Office Requisites and Equipment	111,769	88,814	35,325	25,441	18,839	5,267	285,455
Postage, Telegrams and Telephones	240,246	147,583	96,886	55,787	38,021	18,746	599,269
Office Services	8,010	3,672	9,814	6,894	77	2,169	30,636
Services - Magistrates, Police	2,870	-	23,783	860	-	262	27,775
Services - Registrars of Births and Deaths	1,309	4,765	231	-	297	99	6,701
Medical Examinations	17,960	9,035	5,151	1,033	1,097	1,400	35,726
Commission on Benefit Payments	169,291	111,351	74,376	40,157	34,312	19,823	449,310
Incidental and Other	11,770	11,975	7,160	1,835	1,287	567	34,594
Storage on Heritances	-	12,245	-	-	-	-	12,245
<u>Total Administration Costs</u>	606,163	410,475	275,996	136,708	98,562	51,218	1,579,122
<u>Total State Administrations</u>	1,654,112	1,121,292	746,422	393,816	295,982	150,757	4,362,381

DEPARTMENT OF SOCIAL SERVICES
EXPENDITURE ON STORES IN RELATION TO TOTAL EXPENDITURE FOR FINANCIAL YEAR 1962-63

<u>EXPENDITURE ON STORES</u>	<u>£</u>	<u>EXPENDITURE FOR ALL PURPOSES</u>	<u>£</u>
Office Requisites and Equipment	23,324		
Stationery, Printed Forms	61,197		
Punched Cards	27,439		
Envelopes	58,517		
Office Machines	4,822		
Books, Periodicals etc. for Central Administration Library	1,499		
Furniture and fittings (including machinery and electrical installations)	20,000(approx.)	196,798	4,690,995
<u>TOTAL EXPENDITURE ON ALL ADMINISTRATIVE STORES</u>			<u>ADMINISTRATION</u> (including Works Vote)
Special Rehabilitation Plant and Equipment	4,476		
Commonwealth Rehabilitation Service			
Consumable Stores			
Medical	5,246		
Occupational Therapy	10,872		
Foodstuffs	45,862		
Fuels	5,012		
Miscellaneous	74,848		
	<u>10,052</u>		
Non-consumable Stores	84,900		
<u>TOTAL EXPENDITURE ON ALL STORES FOR THE COMMONWEALTH REHABILITATION SERVICE</u>		89,376	702,213
			<u>OTHER SOCIAL SERVICES</u>
			294,010,238
<u>TOTAL EXPENDITURE ON ALL STORES</u>		<u>£286,174</u>	<u>TOTAL DEPARTMENTAL EXPENDITURE</u>
			£299,403,446

FREQUENCY AND METHODS OF PAYMENT OF
SOCIAL SERVICE BENEFITS

Age Pensions

Two-weekly by (a) Cheque	83%
(b) Order at Post Office	17%

Invalid Pensions

Two-weekly by (a) Cheque	83%
(b) Order at Post Office	17%

Widows' Pensions

Two-weekly by (a) Cheque	79%
(b) Order at Post Office	21%

Wives' and Children's Allowances

Two-weekly by (a) Cheque	81%
(b) Order at Post Office	19%

Supplementary Assistance

Paid with Pension.

Funeral Benefits

Paid by cheque.

Maternity Allowances

Paid by cheque.

Child Endowment

Children under 16 - (a) 4 weekly by order at Post Office	42%
(b) 12 weekly by Bank credit	54%
(c) 4 weekly by cheque	4%

Student children - 12 weekly by cheque.

Unemployment, Sickness and Special Benefits

Weekly by cheque.

Rehabilitation Allowance

Two weekly by cheque.

APPENDIX NO. 17.

TIME CYCLE ^x FOR NEW CLAIMS FOR BENEFITS -
STATE HEADQUARTERS, MELBOURNE

A. FAMILY ALLOWANCES

Step	Action	By Whom	Period during which completed
1.	Receive claims from mail or counter. Attach assessment form.	File Room	1st Day
2.	Endorse paying office codes and identify Regional Office cases.	Coders	1st Day
3.	Despatch Regional Office cases.	File Room	2nd Day
4.	Check claims against index.	Index	2nd Day
<u>Where no previous claim</u>			
5.	Allot new registration numbers and attach claims to file covers.	File Room	2nd Day
6.	Type index cards.	Typists	2nd Day
7.	Check and file index cards in cabinets.	Index	2nd Day

Where previous claim exists

5.	Identify existing file number.	Index	2nd Day
6.	Extract files from racks and attach new claim.	File Room	2nd Day
8.	Examine claims and make recommendation. (If correspondence with claimant is necessary, file is held at this stage until examination is completed.)	Examination Section	3rd Day
9.	Check and approve assessment.	Determining Officer	4th Day
10.	Check paying office codes.	Coder	4th Day
11.	Extract statistics.	Statistics	4th Day
12.	Sort to appropriate categories for card punching.	Payment Section	4th Day
13.	Punch master cards, maternity allowance and adjusting cheque cards.	Card Puncher	5th Day

^x The times shown are illustrative of the general pattern of operations and do not necessarily apply in all cases.

Step	Action	By Whom	Period during which completed
14.	Enter expiry codes (dates on which children will reach 16).	Payment Section	5th Day
15.	Check newly prepared punched cards, authorise card and file.	Payment Section	6th Day
16.	Prepare advice to endowees in Bank cases and adjusting cheque cases. Despatch punched cards and advices to Accounts Branch.	Typing Section	6th Day
17.	Files referred for any further action which may be required.	File Room	6th Day
18.	If no further action files replaced in racks.	File Room	7th Day
19.	Receive punched cards from Family Allowances Branch (Stage 17). Print order books and advices to endowees, cheques, bank schedules, etc.	Accounts Branch	7th Day
20.	Despatch maternity allowance cheques and child endowment adjusting cheques.	Accounts Branch	8th Day
<p>Note (i) Payment advices received from Regional Offices are incorporated with State Headquarters files at Step 13 and proceed in accordance with above.</p> <p>(ii) The actual date of payment of continuing endowment is the pay-day after action is completed.</p>			

B. PENSIONS

1.	Receive claims.	Mail Room	1st Day
2.	Check Index.	Index	2nd Day
3.	Register claims, prepare file covers, index cards and U.S.B. clearance cards.	Registration Officer	2nd Day
4.	List claims for hearing by magistrate in 8 days time, issue Form 9 (Verification of birth), issue Form 7 (Verification of cessation of employment).	Listing Clerk	3rd Day
5.	Interview claimants. Write up cases and initiate further enquiries re property and income as necessary.	Magistrate	11th Day

Step	Action	By Whom	Period during which completed
6.	In claims for invalid pension -		
	(a) refer claims to C.M.R. Clerk to arrange medical appointment in seven days time;	Magistrate	12th Day
	(b) receive doctor's reports and place on files pending finality of other enquiries (visit cases or cases with previous medical history may require longer period for return of papers).	Magistrate	21st Day
7.	Complete examination of enquiries from Step 5, assess pensions and refer to pensions officer for determination.	Magistrate	25th Day
8.	Determine claim and pass to payments section (refer cases to U.S.B. Branch if adjustment necessary).	Pensions Officer	25th Day
9.	(a) Prepare and check coding sheet. (b) Punch and verify payment and statistical cards. (c) Authorise payment cards. (d) Prepare notices to claimant (and Postmaster if necessary). (e) Prepare Forms TF18 for arrears cheque if necessary. (f) Certify Forms TF 18 if necessary.	Payment Section	25th to 28th Day
10.	Refer payment cards and TF18 to Accounts Branch.	Payment Section	28th Day
11.	Despatch arrears cheques and arrange periodical payments for next pay-day.	Payment Section	29th Day

C. SICKNESS BENEFITS

1.	Receive claims by mail or from Counter and date stamp.	Records Section	1st Day
2.	Separate claims to groups - (a) where previous claim lodged; (b) where no previous claim lodged.	Records Section	1st Day
3.	Attach claims to backing sheets and endorse names thereon.	Records Section	1st Day
4.	Pass claims from Step 2(a) to index for attachment of previous ledger cards and pass to typing pool.	Records Section	1st Day

Step	Action	By Whom	Period during which completed
5.	Pass claims from Step 2(b) direct to typing pool.	Records Section	1st Day
6.	Types index cards, ledger cards as necessary and other correspondence and return to index.	Typing Pool	1st Day
7.	Check typing of index cards and ledger cards. Fill index cards and pass claims, ledger cards and correspondence to assessors Gr.II.	Index	1st Day
8.	Check and despatch correspondence and hold files and ledger cards (initiate additional correspondence as necessary).	Assessor Gr. II	1st Day
9.	Receive replies to correspondence, assess benefit, enter payment details on ledger cards and pass files and ledger cards to Registrar.	Assessor Gr. II	11th to 13th Day
10.	Determine claims and authorise payment on ledger cards. Pass ledger cards (with notices of grant) to Accounts Clerk and files to assessor Gr.I for future payment action.	Registrar	14th Day
11.	Prepare and despatch cheques with notices of grant.	Accounts Clerk	14th Day

D. UNEMPLOYMENT BENEFITS

1.	Take action as with Sickness benefits Steps 1 to 7.	-	1st Day
2.	Check and despatch correspondence. Hold files and ledger cards.	Assessor Gr. II	1st Day
3.	Receive replies to correspondence. Attach to files and await return of first income statement.	Assessor Gr. II	11th to 13th Day
4.	Receive first income statements. Attach to files. Assess benefit. Enter details of payment on ledger cards and pass to Registrar.	Assessor Gr. II	14th Day
5.	Determine claims. Authorise payments on ledger cards. Pass ledger cards to accounts clerk and files to records section (if correspondence outstanding return claim to assessors to follow up).	Assessor Gr. II	14th Day

Step	Action	By Whom	Period during which completed
6.	Prepare and despatch cheques with notices of grant.	Accounts Clerk	14th Day

E. SPECIAL BENEFITS

- | | | | |
|----|--|---|---------|
| 1. | Take action as with sickness benefit cases Steps 1 to 8. | - | 1st Day |
| 2. | Action to complete enquiries and determine claims is governed by the type of special benefit and is generally as follows - | | |
| | (a) pending determination of invalid and widow's pension claims - 4 days | | |
| | (b) deserted wife - 5 days | | |
| | (c) husband in prison - 6 days | | |
| | (d) deserted defacto wife - 9 days | | |
| | (e) defacto husband in prison - 10 days | | |
| | (f) caring for invalid parent - 22 days. | | |

DEPARTMENT OF SOCIAL SERVICES

NUMBERS OF BENEFITS CURRENT BY STATES, AS AT 30.6.1963

State	Age & Invalid Pensions Current	Maternity Allowances Paid during Year	Child Endowment		Widows' Pensions Current	Wives and Children's Allowances Current	Funeral Benefits Paid during Year	Unemployment, Sickness and Special Benefits (c)	
			Endowed Families	Endowed Children in Families				Granted during Year	Current
N.S.W. (a)	284,101	84,489	578,948	1,249,410	22,321	11,173	16,439	101,302	22,089
VIC.	179,560	66,021	421,275	933,628	14,549	5,402	10,861	57,121	12,203
Q'LD.	112,024	35,659	216,544	512,825	9,610	4,454	5,952	65,213	7,470
S.A. (b)	65,769	22,873	151,594	341,233	5,534	1,788	3,600	17,544	3,371
W.A.	48,331	17,152	113,464	267,268	4,486	2,060	2,589	21,238	4,216
TAS.	21,703	8,560 (abroad) 310	53,313 (abroad) 250	127,261 (abroad) 541	1,977	1,104	1,183	9,351	2,183
TOTALS	711,388	235,064	1,535,388	3,432,166	58,477	25,981	40,624	271,769	51,532

Note - (a) Figures for New South Wales include those for Australian Capital Territory.
 (b) Figures for South Australia include those for Northern Territory.
 (c) Exclude special benefits to migrants in accommodation centres.

REHABILITATION STATISTICS - COMMONWEALTH

Particulars	1952/53	1958/59	1959/60	1960/61	1961/62	1962/63	1963/64	1964/65.
1. No. accepted	1,456	1,344	1,287	1,402	1,318	1,553	1,635	1,447
2. No. placed in employment	949	1,010	1,243	1,070	973	1,176	1,299	1,323
3. No. cancelled (unsuccessful)	678	494	365	279	346	329	358	310
4. Average number under-going Rehabilitation	1,300	1,388	1,069	1,008	1,100	1,118	1,130	993
5. Average number attending centres - Accepted - Residential - Day Attendance Assessment - Residential - Day Attendance	233 208 Ø Ø	255 316 Ø Ø	209 241 56 87	226 254 70 119	212 266 65 149	217 293 59 121	210 330 59 101	207 270 65 94
6. Average number receiving vocational training.	*	369	324	274	275	236	238	230

* Unavailable.

Ø Assessment procedure introduced 1st July, 1959.

APPENDIX NO. 20.

REHABILITATION STAFF - APPROVED POSITIONS AS AT 30/6/65.

SERVICE CENTRES

Designation	N.S.W.	Vic.	Q'ld.	S.A.	W.A.	Tas.	C'wlth.
Assistant Director	1	1	1	1	1	-	5
Admin. Officer/Senior Clerk	1	1	1	1	1	1	6
Vocational Counsellors	4	3	3	3	2	1	16
Clerks, Assistants, Typists	24	17	18	10	5	2	76
Senior Medical Officer	1	1	1	1	1	-	5
Medical Officer	-	1	-	-	-	-	1
Sister	1	1	1	1	1	-	5
Total Service Centre	32	25	25	17	11	4	114

REHABILITATION CENTRES

Designation	N.S.W.	Vic.		Q'ld.	S.A.	W.A.	Tas.	C'wlth.
	Comb. Cen.	Res. Cen.	D/A Cen.	Comb. Cen.	Comb. Cen.	Comb. Cen.	Not Appli- cable	Total
Manager, Asst. Manager, Admin. Officer	2	2	1	2	2	2		11
Clerks, Typists	5	3	2	-	1	1		12
Vocational Counsellors	4	2	2	3	2	1		14
Sisters	5	3	2	2	2	2		16
Physiotherapists	7	3	5	3	4	3		25
Occupational Therapists	9	4	5	4	4	4		30
Medical Orderlies/ Hospital Assistants	6	3	1	3	3	2		18
Remedial P.T. Instructors	2	2	1	2	2	1		10
Trade Instructors/ Asst. Trade Instructors	7	4	4	5	5	2		27
* Domestic Staff	39	29	6	27	24	19		144
Total Rehab. Centres	86	55	29	51	49	37	-	307
Totals of Service and Rehabilitation Centres	118	109		76	66	48	4	421

- * Includes storemen, housekeepers, house-maid/waitresses, cooks, kitchen-hands, pantry-maids, cafeteria attendants, laundress, gardeners, general usefals, boiler-attendants, drivers, cleaners and handymen.

PROSECUTIONS UNDER THE SOCIAL SERVICES ACT
1960-61 TO 1964-65

Number of cases in which prosecution was approved.

	1960/61	1961/62	1962/63	1963/64	1964/65
Age and Invalid Pension	25	27	22	18	24
Widow's Pension	34	44	21	33	35
Unemployment and Sickness Benefit	97	69	107	102	48
Child Endowment and Maternity Allowances	2	3	-	1	1
	158	143	150	154	108

Number of cases in which prosecution was considered
but NOT approved.

	1960/61	1961/62	1962/63	1963/64	1964/65
Age and Invalid Pension	3	8	4	2	5
Widow's Pension	3	11	-	2	4
Unemployment and Sickness Benefit	17	21	7	19	18
Child Endowment and Maternity Allowance	-	-	2	-	-
	23	40	13	23	27

APPROVALS AND EXPENDITURE UNDER AGED PERSONS HOMES
ACT, 1954-1955 TO 1964-1965

<u>Financial Year</u>	<u>No. of Grants</u>	<u>Total Subsidy Approved</u>	<u>Expenditure</u>
		£	£
1954-55	67	783,979	436,236
1955-56	65	771,229	396,394
1956-57	54	630,084	745,228
1957-58	75	1,147,971	837,674
1958-59	112	2,230,107	1,767,470
1959-60	110	1,742,828	1,866,248
1960-61	131	2,773,964	2,151,810
1961-62	130	3,101,234	3,472,135
1962-63	155	4,286,879	3,185,184
1963-64	134	3,640,747	3,704,013
1964-65	153	3,345,508	3,999,725
Totals to 30.6.65	1,186	24,454,530	22,562,117