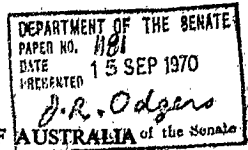


1970



THE PARLIAMENT OF THE COMMONWEALTH OF

---

JOINT COMMITTEE OF PUBLIC ACCOUNTS

---

ONE HUNDRED AND TWENTY-FIRST  
REPORT

---

THE DEPARTMENT OF SHIPPING AND  
TRANSPORT

JOINT COMMITTEE OF PUBLIC ACCOUNTS

EIGHTH COMMITTEE

J.D.M. Dobie, Esquire, M.P. (Chairman)

C.J. Hurford, Esquire, M.P. (Vice-Chairman)

Senator J.F.Fitzgerald

Senator J.J.Webster

Senator Dame Ivy Wedgwood

F.W.Collard, Esquire, M.P.

J.F.Cope, Esquire, M.P.

B.W.Graham, Esquire, M.P.

A.W.Jarman, Esquire, M.P.

I.L.Robinson, Esquire, M.P.

The Senate and the House of Representatives appointed their  
Members on 25 November, 1969.

DUTIES OF THE COMMITTEE

Section 8 of the Public Accounts Committee Act 1951-1966 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 1901-1950;
- (b) to report to both Houses of the Parliament, with such comment as it thinks fit; any items or matters in those accounts, statements and reports, or any circumstances connected with them, to which the Committee is of the opinion that the attention of the Parliament should be directed;
- (c) to report to both Houses of the Parliament any alteration which the Committee thinks desirable in the form of the public accounts or in the method of keeping them, or in the mode of receipt, control, issue or payment of public moneys; and
- (d) to inquire into any question in connexion with the public accounts which is referred to it by either House of the Parliament, and to report to that House upon that question,

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

Table of Contents

<u>Chapter</u>		<u>Page No.</u>
1	Introduction	5
2	Legislation	7
3	Structure and Functions	9
4	Organisation and Methods	30
5	Internal Audit	39
6	Maintenance and Control of Stores and Assets	45
7	Telephone Facilities	55
8	Establishment and Staff	62
9	Recruitment and Training	74
10	Revenue	93
11	Expenditure	103
12	Relationships with the Department of Trade and Industry	124
13	Conclusions	130
<u>Appendices</u>		
1	List of Exhibits	138
2	History	139
3	Acts and Regulations Administered by the Department of Shipping and Transport	147
4	Organisation Charts	151
5	Functional Committees of the Australian Transport Advisory Council	153
6	Transport Development Research	158
7	Internal Audit Reports	163
8	Schedule of Training Courses	164

Joint Committee of Public Accounts  
One Hundred and Twentieth Report  
The Department of Shipping and Transport  
Chapter 1  
Introduction

In pursuance of Section 8 of the Public Accounts Committee Act 1951-1966, Your Seventh Committee resolved to inquire into the financial administration of the Department of Shipping and Transport.

2. For the purpose of the Inquiry a number of statements were obtained from the Department. These are listed in Appendix No.1. to this Report.

3. The Statements received were made the subject of a public Inquiry held at Parliament House, Canberra on:-

Monday, 26 May, 1969	Monday 8 September, 1969
Tuesday, 27 May, 1969	Tuesday 9 September, 1969
Friday, 1 August, 1969	

4. The following witnesses were sworn at the public Inquiry and were examined by Your Committee:

Department of Shipping and Transport

Mr.M.M.Summers	- Secretary
Mr.G.R.Andrews	- Controller, Establishments and Finance Branch; Transport, Marine and General Services Division
Mr.R.J.Barling	- Acting Controller, Rail Standardisation Section; Transport Branch; Transport, Marine and General Services Division
Mr.E.S.Clarke	- First Assistant Secretary, Shipbuilding Division
Mr.L.N.Etherton	- Acting Assistant Secretary, Marine Services Branch; Transport, Marine and General Services Division
Mr.T.Norris	- Acting First Assistant Secretary, Transport Marine and General Services Division
Mr.G.T.Webb	- Acting Assistant Secretary, Transport Branch; Transport, Marine and General Services Division

Department of Trade and Industry

Mr.L.P.Duthie -First Assistant Secretary,Exports  
Transportation Branch

Mr.T.N.Williams -Assistant Secretary,Exports Transportation  
Branch

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

Audit Office - Mr.A.K.Ragless

Public Service Board - Mr.G.N.Vanthoff

Department of the  
Treasury - Mr.M.G.Cowie  
Mr.J.I.Maunder  
Mr.B.C.Weeden.

6. As part of our investigations we carried out inspections of the Department's facilities in Melbourne on Thursday 26 February, 1970.

7. Information submitted to Your Committee as at 9 September, 1969 and additional material prepared at our request subsequent to that date constitutes the basis of this Report.

Chapter 2

Legislation

8. Details of the Acts and Regulations administered either wholly by the Department of Shipping and Transport or jointly between that department and other departments are shown in Appendix No. 3 to this Report. Exhibit 121 /2

Legislation Administered Wholly by the Department of Shipping and Transport

9. We were informed that the penalties imposed under the Navigation Act, ranging from fines on seamen to those on ships putting to sea without certificates and like matters, have remained in the Act virtually unchanged for many years. In addition the Act prescribes fines which are no longer appropriate. The witness informed us that for some time the department has been working in conjunction with the Parliamentary Counsel's staff with a view to bringing the penalties under the Navigation Act up to date. Little progress has been made with this work. Qs.801 to 809

10. Of the fifty-one Regulations administered by the Department, forty-three have been made under the Navigation Act. While those Regulations are generally adequate, there was said to be a need for their continuous revision and a system of priorities has been developed to give effect to this process. Q.45

11. It was stated that the major area of difficulty in the administration of Regulations has arisen in relation to the Navigation Loading and Unloading Safety Measures Regulations. These Regulations endeavour to place responsibility on the person whom it is considered should accept final responsibility for certain matters that occur in connection with the loading and unloading of ships. Qs.1055 & 1072

12. However, arising from the manner in which some of these Regulations are framed, and the way in which cases have been presented by the Department and the Deputy Crown Solicitor the Courts have experienced difficulty in deciding cases where prosecutions have been launched by the department. Qs.1055 and 1072

13. Information submitted in evidence showed that, on the advice of the Attorney-General's Department the Department of Shipping and Transport had launched fifty-nine prosecutions under the Navigation(Loading and Unloading-Safety Measures)Regulations during the seven years 1961-62 to 1967-68. Of these, forty-six Exhibit 121 /15 and Qs.1061 to 1102

were successful, nine were dismissed and in two cases the defendant appealed successfully against the Court's decision.

14. We were informed that during the previous amendments to the Loading and Unloading Safety Measures Regulations in 1961 the department had removed a number of provisions that had proved troublesome. More recently the department has taken further action, in conjunction with Parliamentary Counsel, to completely revise these Regulations. The object of this review is to remove inconsistencies and include improved provisions where they are required in the interests of safety.

Qs. 1055 to  
1057

Legislation Administered by the Department of Shipping and Transport in Conjunction with Other Departments

15. The Department of Shipping and Transport shares with other departments the responsibility of administering several Acts of Parliament. These include the Beaches, Fishing Grounds and Sea Routes Protection Act, the Seamen's War Pensions and Allowances Act and the Supply and Development Act. It was stated that the divisions of responsibility between departments under the legislation concerned is clear and the Department of Shipping and Transport has not experienced any real difficulties in this area.

Q. 31



Chapter 3  
Structure and Functions  
Central Office

16. We were informed that prior to 1964 the Department comprised a Marine Branch and a Land and Sea Transport Branch, both of which were located in Melbourne. In that year, however, the Public Service Board approved the establishment of a Shipbuilding Division of the Department which represented an earlier activity of the Australian Shipbuilding Board located in Sydney. At the same time, as part of a review undertaken by the Public Service Board into the top structure of all Departments, the Marine Branch and the Land and Sea Transport Branch were re-organised and amalgamated into the Transport, Marine and General Services Division. Each of the two divisions created at that time was placed under the control of a First Assistant Secretary. A further major re-organisation occurred in the Department's structure in June 1969, subsequent to the commencement of our Inquiry. Organisation charts prior and subsequent to this change are shown in Appendix No. 4 to this Report.

Exhibit  
121 /3  
and Qs. 53 to  
67

17. Details of the structure and functions of these Divisions when our Inquiry commenced in May 1969 are set out below.

Transport, Marine and General Services Division

18. It was stated that this Division was concerned with the full range of departmental functions, excluding those involving the technical and administrative services of the shipbuilding industry. It was directly involved in the development of policy in relation to sea, road and rail transport, shipbuilding, rail standardisation, marine safety and services and economic research in relation to sea, road and rail transport. It also covered the general administration, financial and establishment work of the Department. The Division

Exhibit  
121/3

comprised three Branches and a Special Projects Section the functions of which are described below.

(1) Transport Branch

19. This branch operated with four sections which dealt with policy and administration matters concerning sea transport, land transport, rail standardisation and transport development. The functions of these sections were as follows:-

. Sea Transport Section

20. This section was concerned with the development of policy in relation to coastal and overseas shipping with particular reference to Commonwealth participation and the licensing and control of all vessels to engage in the coastal trade. It was explained that the policy objective in this area is to inaugurate and develop a system of coastal shipping operations that will result in the application of minimum freight rates together with the provision of regular and adequate service covering the more distant ports of Australia.

Exhibit  
121/3  
and Qs. 82 to  
89

21. We were informed that before operating in the coastal trade a ship-owner must make formal application to do so. When a license has been issued the Section was required to satisfy itself that the ship-owner was complying with the conditions that were attached to the issue of the license. We were assured that the Section maintained a complete list of all licenses issued.

Qs. 128 to 129

22. In relation to policy in the overseas shipping area it was stated that if the Government were to participate in such activities, the operation of the ships concerned would be the responsibility of the Australian National Line and therefore of interest to the Department. The Australian National Line has participated in overseas shipping activities whenever it sees an opportunity to do so. Occasionally it has shipping available for this purpose but the freight rates concerned must be appropriate because the Line is required to operate on a commercial basis.

Exhibit  
121/3  
and Qs. 90 to 95

23. The Section was also concerned with policy and procedures to be applied to the importation of ships and with policy aspects of assistance to the shipbuilding industry. These two functions are related in the sense that the policy objective underlying the control of the importation of ships is the protection of the shipbuilding industry. We were informed that as a result of the Tariff Board's recommendations, the Government has implemented a policy to protect the local industry by means of subsidy. The subsidy is the amount required to equate the cost of a ship built in Australia with the cost of an equivalent ship built in Britain and delivered to Australia, but the subsidy must not exceed 33 $\frac{1}{3}$  per cent of the cost of the vessel.

Exhibit  
121 /3  
and Qs.85 and 89.

24. The sea transport section was also responsible for policy relating to requests made to the Commonwealth for assistance to specific shipping services. We were informed that this assistance has been very limited in nature. A financial arrangement had been entered into for assistance to the shipping service to King Island and some assistance had been afforded to Burns Philp to provide a service to Papua and New Guinea. This service had been discontinued.

Exhibit  
121 /3  
and Q.96

25. A further responsibility of the Section related to technical and administrative service rendered in respect of the handling and transport of explosives and other dangerous goods. The principal service provided is in the operation of the Point Wilson explosives jetty which has been established near Geelong for the handling of explosives for the Port Melbourne area.

Exhibit  
121/3

26. The Section also serviced the Dangerous Goods Transport Committee on which the States and the main Commonwealth authorities who are interested in the transport of explosives and other dangerous goods are represented. The main task of this committee, which meets about twice a year, is to establish codes that can be applied as legislative provisions for the transport of dangerous goods in all States and the Territories.

Exhibit  
121 /3  
Qs.101 and 130

27. The Section was also concerned with the chartering, management and policy of merchant shipping for defence purposes. In this area, the Sea Transport Section arranged a suitable charter or some other method of providing a ship for the department requesting service. As required by the Minister, the section was also involved in policy advising on matters concerned with the operations of the Australian Coastal Shipping Commission, with particular attention to fares and freight rates.

Exhibit  
121/3 and  
Q.135

. Land Transport Section

28. This section was concerned with the development of policy in the fields of road and rail transportation. Regarding roads, it was concerned with policy advising in relation to financial assistance by the Commonwealth to the States for the provision of roads under the Commonwealth Aid Roads Act, special grants for specific roads and the Commonwealth Bureau of Roads Act. Regarding road transport, it was stated that considerable emphasis has been placed on the development of the Commonwealth's co-ordinating role in an endeavour to achieve greater uniformity in road transport policies in both the Commonwealth and States spheres. We were informed that the particular avenue used to achieve this objective is the Australian Transport Advisory Council, comprising the Commonwealth Minister for Shipping and Transport and the Minister for the Interior, together with each State Minister for Transport. Details of the origin and functions of the functional committees that have been appointed by the Australian Transport Advisory Committee are set out in Appendix No.5 to this Report. The Land Transport section also provided policy advice to the Minister for Shipping and Transport on all matters relating to the operations of Commonwealth Railways and in regard to Commonwealth financial assistance for State railway systems.

Exhibit  
121 /3  
Qs.124 and 144

. Railway Standardisation Section

29. We were informed that this Section was concerned with the development of policy in relation to the standardisation of railway gauges generally and with the policy and administrative aspects of the current Railway Standardisation Acts. It was stated that no expenditure made under these acts can be reimbursed unless the Minister has previously approved and authorised, or has agreed to ratify, such expenditure. Applications for expenditure, together with any necessary plans, specifications and technical details of proposed works, are submitted by the State Railways Commissioners to the Commonwealth Railways Commissioner. These applications are examined in the Commonwealth Railways office and in the Department of Shipping and Transport. In most cases they are discussed with the State Railway Authorities, either prior to the lodgment of applications or at a later stage. A recommendation is submitted both by the Commonwealth Railways Commissioner and by the Department to the Minister. If the Minister is satisfied, the necessary funds are authorised. As the work progresses, the State concerned makes claims on a monthly basis against approvals. These claims are certified by the State Auditors-General. The Section is also responsible for the detailed consideration of proposals for new standardisation projects.

Exhibit  
121/3  
and Q.159

. Transport Development Section

30. We were informed that the main function of this Section was to undertake economic research work relating to transport by sea, rail and road, and to maintain a comprehensive statistical and information service on transport matters generally.

Exhibit  
121/3

31. Decisions relating to the priorities to be accorded to proposed projects were determined by the Assistant Secretary in charge of the Transport Branch, on the basis of availability of staff on the one hand and the likely needs of the Minister and Permanent Head on the other. We were assured that all services undertaken had been used for specific purposes. It was stated that reports arising from economic research work undertaken by the Section were made available to interested

Qs. 1160  
1161 and  
1171

scholars but these reports were not published as they frequently include information of a confidential nature. Research projects undertaken by the Section during 1967/68 and 1968/69 included Australia-Britain/Europe liner trade, Australia-Japan liner trade, containerisation, coastal and bulk shipping, shipping freight rates, financial assistance to shipbuilding, land transport and roads finance. Details of these projects are shown in Appendix No. 6 to this Report.

(ii) Marine Services Branch

32. This branch was concerned with the determination, implementation and administration of departmental policy arising from the Marine Safety and Marine Services Conventions. In particular it was concerned with the detailed policy and administrative aspects of the Navigation Act and Regulations, the Lighthouse Act and Regulations and several other acts of a technical nature. The branch comprised three main sections, the functions of which are set out below.

Exhibit  
121/3

. Surveys Section

33. We were informed that this section was concerned with technical aspects of policy formulation and of review and revision of the Navigation Act and Regulations as relating to ship survey matters and other matters concerning the operation and safety of ships and their passengers, crews and cargoes including matters that are the subject of international conventions of which Australia is a member. Many aspects with which the survey section was concerned were of a technical nature including such matters as the standards of life-saving appliances, radio requirements for ships' fire-fighting equipment and technical requirements for the actual structure, machinery and equipment of ships. The survey functions of the Section were divided broadly into four groups.

Exhibit  
121/3  
Q.339

(a) The survey of ships and their equipment for the issue of certificates.

This was said to involve the basic safety of ships. All vessels which come within the Commonwealth Authority are required to undergo at regular intervals a survey prior to the issue of a Certificate of Equipment, or Certificate of Survey or Construction

Certificate, all of which are necessary to cover the various parts of the ship and to indicate that it is satisfactory and in a fit state to operate for the period for which the certificate has been issued. Some of these certificates are issued under the Safety of Life at Sea Convention to which Australia is a party. Others are purely domestic certificates. The witness added, however, that in relation to Australian ships which engage in interstate trade, the Department applies international standards. The general practice is for such ships to be surveyed for the issue of the same certificates as are required for ships engaged in overseas trade under the Safety of Life at Sea Convention.

(b) Surveys and inspections required by Regulations concerning other aspects of ship safety, such as cargoe handling methods and the carrying of certain cargoes.

(c) The survey of ships of other signatory countries to the Safety of Life at Sea Convention, for Safety Convention Certificates undertaken at the request of and on behalf of the Governments of those countries.

Exhibit  
121/3  
Qs. 192/194

(d) The survey of ships under construction in Australia, particularly passenger vessels, and the issue of necessary certificates.

34. We were informed that the section was also concerned with the approval of various types of safety equipment and the maintenance of satisfactory safety standards through the industry. It was said that as much of the field work is carried out by individual surveyors, a constant review is necessary of the interpretation and application of instructions to surveyors on the detailed implementation of the requirements

of the Navigation Act and Regulations. We were informed that the surveyors referred to are employed by the Department of Shipping and Transport. However, at outports, suitably qualified staff employed by State Marine Authorities are acceptable to the Department of Shipping and Transport and are appointed by that Department as surveyors for the purposes of the Navigation Act. The chief surveyor visits each State at regular intervals to discuss with surveyors their problems in the field to ensure uniform interpretation of the law.

Exhibit  
121/3  
Qs. 196 &  
342 & 344

. Mercantile and General Section

35. This section was concerned with the continuous review of legislation administered by the Branch and comprising the Navigation Act and Regulations; the Lighthouse Act and Regulations; the Pollution of the Sea by Oil Act and Regulations; the Fishing Grounds and Sea Routes Protection Act and Regulations; the Submarine and Pipelines Protection Act; the Seamen's Compensation Act and Regulations and the Seamen's War Pensions and Allowances Act and Regulations.

Exhibit  
121 /3  
Q.197

36. The section was also responsible for the preparation of recommendations for amendments to the legislation and work associated with the drafting and passage of legislation including regulations and policy aspects of the administration of that legislation.

37. At that time, the section comprised the following Sub-sections: a legislative, Technical Services, Mercantile Marine, and an Examinations Sub-section. These elements dealt with legislative matters and the preparation of briefs for international Maritime Conventions and Australia's participation in the work of the Inter-Governmental Maritime and Consultative Organisation (IMCO). We were informed that this organisation, which stemmed initially from the Titanic disaster, is a specialised agency of the United Nations Organisation. It was established by the International Convention on the Inter-Governmental Maritime Consultative

Exhibit  
121/3



Organisation which was adopted at a conference in Geneva in 1948.

38. We were informed that the functions of IMCO embrace the facilitation of co-operation amongst Governments on technical matters affecting shipping, with special responsibilities for the safety of life at sea and for ensuring the highest possible standards of safety at sea and of efficient navigation. It also provides for an exchange of information between member nations on technical maritime subjects. It has a further function to encourage the abolition of discriminatory and restrictive practices affecting ships in international trade. The witness informed us, however, that the organisation has undertaken virtually no work in this latter area.

Exhibit  
121/3  
Q.352

39. Although IMCO was established in 1948 it was not until 1958 that sufficient numbers of countries signified their acceptance of the convention to make it effective. Following this, the organisation has had a series of meetings at two yearly intervals. Between these assemblies, the organisation is operated largely by a Council representing sixteen member countries, which meets at six monthly intervals. In addition, there are sub-committees under the Council which meet regularly between these six monthly Council meetings.

Exhibit  
121/3

40. We were informed that an officer of the Department attends meetings of the Council and officers also attend the Assembly Meeting in London each two years. Between meetings information provided by the Council is distributed.

Q.376

41. We were informed that in 1954 a navigational convention relating to pollution of the sea by oil was negotiated and Australia took early action to give effect to the convention. This provides that ships shall not deposit oil into the sea within defined areas around the whole of the land masses of the world. For Australia, these areas are generally drawn about 150 miles out to sea except for

the North West Coast, where the limit is 50 miles. In these areas there is complete prohibition on the dumping of any oil or oily waste, except under clearly defined circumstances.

42. The department is responsible for policing this arrangement beyond the three mile limit but within that limit, the States are responsible for the arrangements. It was added that the department's particular function under these laws relates to inspections to ensure that ships are fitted with proper facilities for the disposal of oily waste and the separation of water from the waste, so that water can be pumped overboard without emitting oil into the sea. The Department inspects ships' log books to ensure that there has been no discharge of oily wastes. It was said that where a vessel causes oil pollution of a beach, the costs of clearing the area of pollution could be recovered from the ship concerned if it can be identified as the cause of pollution.

Exhibit  
121 /3  
Qs. 432 to 439,  
441 & 446

43. The Mercantile and General Section was also responsible for the examination of ships' officers and crews for Certificates of Competency. We were informed that these examinations take place weekly or fortnightly as required depending on candidates offering themselves for examination. The work involved from the section's viewpoint relates to the preparation of examination papers, the correction of answers and the assessment of passes and failures. The Section was also concerned with the operation of mercantile marine offices including the engagement and discharge of officers and seamen.

Exhibit  
121 /3  
Qs. 199 and 200

#### Lighthouse Services Section

44. We were informed that this section was concerned with the administration of the Lighthouses Act involving the provision, operation and maintenance of aids to marine navigation on and in waters around the coasts of Australia and the Territory of Papua and New Guinea. The State Governments accept responsibility for aids in ports and harbours, and recover the cost of providing these facilities from charges levied on ships which enter their harbours.

Exhibit  
121 /3  
and Q. 210

45. It was stated that throughout Australia there are 56 manned stations, 186 unattended lights, 24 light buoys, 2 lightships, 22 unlighted beacons, and 11 radio beacons. In Papua and New Guinea, all aids are unattended, there being 59 lights and 65 beacons. Major workshops and stores are located at each capital city and smaller workshops are operated at Darwin, Cairns, Thursday Island, and Samarai in the Territory of Papua and New Guinea.

Exhibit  
121 /3  
and Q.202

46. We were informed that around the Australian coastline the maintenance of lights and servicing of the light stations is undertaken by three large lighthouse service vessels, one based in Melbourne, another in Brisbane and the third at Fremantle. These vessels were built between 1961 and 1963, and were said to be adequate to meet the Department's needs. A smaller motor vessel is based at Thursday Island to service the light stations of that area and another small vessel is based at Samarai in the Territory of Papua and New Guinea.

Exhibit  
121 /3  
Qs.204 & 205

o Specialist Officers

47. Operating outside the scope of the Surveys Section, Mercantile General Section, and Lighthouses Services Section, the Marine Services Branch had an Executive Officer(Search and Rescue), a Nautical Adviser and a Naval Architect engaged in Specialist functions

48. The Executive Officer(Search and Rescue) was concerned with policy and planning regarding Commonwealth participation in marine search and rescue operations,including liaison with State officials. We were informed in May 1969 that the Commonwealth and State Governments were in the process of negotiating an agreement on marine search and rescue. Under the proposed agreement it was envisaged that within the capacity of locally available facilities each State would retain responsibility for the co-ordination of marine search and rescue operations within its own port limits for all classes of ships except warships and fleet auxiliaries. The State would also assume initial responsibility for pleasure craft and fishing vessels. It was also envisaged that the Commonwealth would assume

Q.355

responsibility for all other marine search and rescue activity, and would assist in all cases where search and rescue operations for which the States are responsible exceeded the limits of their resources.

49. It was stated that when a marine search operation is undertaken, R.A.A.F. aircraft are generally used, although for local operations, light aircraft have often been chartered. The Commonwealth is not reimbursed by the States for the cost of operating R.A.A.F. aircraft for this purpose, as each Government accepts its own cost of search and rescue operations.

Qs. 357 &  
358

50. We were informed that there is an agreement between Commonwealth Authorities as to their respective responsibilities for search activities. If a search and rescue project falls within the area of Commonwealth responsibility, the project comes under the control of the regional search and rescue organisation which undertakes the search and communicates with the R.A.A.F. regarding the use of aircraft.

Q. 361

51. In the case of marine search and rescue work, the senior marine surveyor of the Department of Shipping and Transport for the region is nominated as Regional Chairman of the project and is known to all parties concerned in the area as the responsible Commonwealth Officer. Two other persons are also nominated as responsible regional officers to cover the non-availability of the Regional Chairman in an emergency. Of the three persons concerned in each region, one is an officer of the Department of Civil Aviation who, due to his access to aircraft and the fact that the Department of Civil Aviation Search and Rescue Centre is staffed on a continuous basis is able to initiate a search without delay.

Qs. 367 and  
371

52. We were informed that the nautical adviser participated in policy formulation and other matters relative to nautical aspects, except survey, of the work of the Marine Services Branch. He officiates as Chairman of the Marine Council, an Advisory Committee established in accordance with a provision of the Navigation Act. Its purpose is to advise the Minister on certain matters relating to the Act, particularly regarding

disciplinary provisions. The Nautical Adviser is also Chairman of the Crew Accommodation Committee which had been established under the provisions of the Navigation Act to advise the Minister on standards of crew accommodation provided in ships. He is also a member of the Lighthouse Advisory Committees and a member of the Permanent Committee of the Australian Port Authorities Association, a committee comprising representatives of all port authorities in Australia. This committee discusses and deals with such matters as port charges, navigational facilities provided within harbours and the control of ships entering and leaving.

Exhibit  
121 /3  
and Q.211 and  
214

53. We were informed that the Naval Architect participates in policy formulation and advises on technical and other matters arising from the Department's statutory and other responsibilities in the fields of naval architecture. He also exercises delegations relating to the approval and of plans for ship construction and tonnage measurement and maintains liaison with the Australian Shipbuilding Board, Classification Society Surveyors and other shipping and shipbuilding interests.

Exhibit  
121 /3  
and Q.216

(iii) Establishments and Finance Branch

54. This branch was concerned with the implementation and administration of Departmental policy on all management services matters including finance, supply, internal audit, personnel, training, security, procedures, methods, establishments, capital works and services, capital equipment, procurement, general office services, accommodation and communications. As required, it also provided policy advice on management services matters affecting the Commonwealth Railways, the Australian National Line and the Commonwealth Bureau of Roads.

Exhibit  
121 /3

55. The branch comprised four sections relating to establishments, finance, supply and internal audit.

. Establishments Section

56. This section was engaged in the inspection of office systems and methods; the review of branches and establishments and the preparation of reports and recommendations on matters of organisation. It was also concerned with the location of

office space; provision of office furniture, equipment, stationary and general office requisites; the maintenance of telephone, teleprinter and office machines services and the assessment of training needs of the Department. Other functions included the advising of branch heads on training and the organisation and co-ordination of training programmes in operation throughout the Department; liaison with the Public Service Board on all recruitment matters and attention to staffing of the Department and general security arrangements. The details of much of the work of this section are included in Chapters 4 and 9 of this Report.

. Finance Section

57. This section was concerned with the detailed financial administration and control by the Department of the expenditure of funds appropriated by the Parliament. It was also responsible for the management of the Civil Works Programme and the analysis and review of expenditure on the activities of the Department. We were informed that within this section the draft financial estimates and works programmes were compiled from information submitted by branches as to their future requirements of funds for the implementation of their respective functions. The section also maintained full financial records including the maintenance of asset registers, determination of the method of ascertaining operating costs and the manner of recording them. Further details of the work of this section are included in Chapters 10 and 11 of this Report.

Exhibit  
121/3

. Supply Section

58. We were informed that this section was responsible for the administration of the supply system in the Department including the identification, assessment of requirements, procurement, receipt, inspection, storage, cost control, issue, stocktaking, accounting for and disposal of Departmental stores. Further details of the work of this section are set out in Chapter 6 of this Report.

. Internal Audit Section

59. It was stated that this section was responsible for internal auditing within the Department covering, in broad terms, independent appraisals and reviews of controls over accounting, storekeeping, and other operations; and assisting management in the effective discharge of its responsibility by supplying analyses and appraisals, recommendations and comment covering activities under review

60. The section was also responsible for advising on the extent of compliance with established policies, plans and procedures and reviewing the adequacy of existing and proposed financial, stores and other instructions. In addition, the section was required to furnish advice on the effectiveness of the accounting and safeguarding of assets owned by or under the control of the Department and to review the adequacy of internal audit procedures. Details of the work of the internal audit section are included in Chapter 5 of this Report.

(iv) Special Projects Section

61. In addition to the foregoing Branches, the Department maintained a Special Projects Section which functioned as a separate unit in the policy area and undertook projects of a policy character which did not fall readily within the functions of established sections. It was involved mainly in developing new concepts in the field of transport, advising on policy in respect of legislation and the review of existing legislation wherever it applied in the broad field of surface transport. It was also involved in work on emergency and civil defence transport planning.

Exhibit  
121/3

Shipbuilding Division

62. We were informed that an Australian Shipbuilding Board responsible to the Minister for Shipping and Transport had been established for the purpose of furnishing advice on matters associated with shipbuilding, including basic recommendations, as to the extent of subsidy assistance which should apply to vessels being constructed in Australian shipyards. The servicing of this Board and the administrative work related to ship building are carried out by the Shipbuilding Division of the Department located in Sydney. The functions of the Division are to provide an efficient service to the Australian shipbuilding Board on all matters directly or indirectly affecting policy upon which it is required to deliberate and to negotiate with ship owners, ship builders and other persons in the industry for the design, construction and sale of vessels for use in Australian waters. The Division is also required to design and supervise the construction of vessels being built under subsidy or otherwise owned by the Commonwealth. The Division comprises three sections relating respectively to administration, design and production.

Exhibit  
121/3 and  
Q.292

. Administration Section

63. It was stated that this section is concerned with the general administration of a Public Service Organisation in close personal contact with industry covering the areas of contractual liability, insurance, accounting, and all related matters. It comprises Sub-sections relating to office services, accounting, and contracts for the purpose of sale of ships.

Exhibit  
121/3  
and Q.313

. Design Section

64. This section deals with basic and detailed design of merchant ships and other floating craft, and research into all technical matters connected with or incidental to ship-building design. The section comprises three Sub-sections, relating respectively to hull design, machinery design and electrical design. These three Sub-sections are under the control of the Naval Architect who is known as the Controller of Design.

Exhibit  
121/3  
Q.314

. Production Section

65. This section is engaged in the supervision of construction at shipyards and investigation into all technical matters connected with or incidental to ship construction. In this regard we were informed that when the Commonwealth contracts with a builder for the construction of a ship in accordance with contract documents, specifications and approved drawings, the production section has the responsibility of ensuring that the work involved is in accordance with the contract. The section maintains resident engineers at the shipyards who supervise construction in detail, supplement the work of surveyors and investigate any problems that arise during construction.

Exhibit  
1 21 /3  
Qs. 320, 321, 378  
and 383

Central Office Re-organisation

66. We were informed in June 1969, that the Government had agreed to certain recommendations connected with the programme of transfers of departmental offices to Canberra. These recommendations had specific application to the Department of Shipping and Transport. In this regard, the Public Service Board Observer, Mr. Vanthoff, stated that an advisory committee had been established by Cabinet to bring together interested groups which have the responsibility of examining the views of Permanent Heads regarding the transfer of their Departments to Canberra so that Cabinet can have in its possession all of the information necessary to form a judgement in setting the order of priorities for transfer. The Permanent Head of the Department of Shipping and Transport had exercised

Exhibit  
1 21 /3  
Qs. 1103 to 1106



his right to make proposals to the Advisory Committee and through that Committee to Cabinet. In the light of all the views available, Cabinet had rearranged its previous order of priorities for the transfer of Departments to Canberra.

67. It was stated that so far as the Department of Shipping and Transport is concerned, the Government's decision involved the establishment of a policy group of 50 positions in Canberra in 1969-70. The Public Service Board had approved the staff establishment for this Canberra group and had also approved an organisational rearrangement which must necessarily follow the decision to establish such a group in Canberra. Included in the organisational rearrangement it was recognised that the top structure staffing of the Department should be strengthened. This involved also a regrouping of some of the Department's main functions.

Exhibit  
121 /3

68. We were informed that the principal changes agreed to by the Public Service Board involved the separation of the Marine and General Services Division into two separate Divisions, a Transport Policy Division and an Operations Division, each under the control of a First Assistant Secretary.

69. The Transport Policy Division comprises a Land Transport Branch, a Sea Transport Branch, and Special Projects and Research Branch, each under the control of an Assistant Secretary. It was stated that the Land Transport Branch will have a Canberra unit of nine positions, while twenty-four of its positions will remain in Melbourne. The Sea Transport Branch will also have nine positions located in Canberra and fifteen positions located in Melbourne, while the Special Projects and Research Branch will have twelve positions in Canberra and twenty-four in Melbourne.

70. Regarding the geographical separation made in the Transport Policy Division, we were informed by the Public Service Board Observer, Mr. Vanthoff, that the Board had sought to ensure that the particular positions to be placed in Canberra in 1969-70 were selected so as to provide maximum benefit in that location. This led to a selection of Canberra-based positions engaged essentially in the formulation of policy. It provided them with

the advantage of easy access to other central offices already located in Canberra. The Board's decision on this matter had the support of the Department's Permanent Head. Q.1108

71. We were informed that under the new arrangement, the Land Transport Branch is concerned with all aspects of Transport policy relating to land transport rail, road and rail standardisation, while the sea transport branch is concerned with transport policy relating to transport by sea. The officers of these branches located in Canberra are engaged with representation on inter-departmental committees, high policy formulation and servicing the Minister. The officers of these branches located in Melbourne are engaged mainly on longer-term policy development work, investigation and research. The special projects and research branch deals with projects which do not fit readily into the work of the other two branches. Q.1109

72. While the witness did not believe that work duplication would occur between the Canberra and Melbourne based sections of these Branches, he indicated that a difficulty could arise in communications and that it is essential that the officers of both groups within each of the branches work along lines desired by the Assistant Secretary in charge of each branch. Q.1123

73. As part of the new administrative arrangement, the newly created Operations Division comprising four branches will remain in Melbourne, under the control of a First Assistant Secretary until 1973-74. Within this division, the Operations Safety and Services Branch, under the control of an Assistant Secretary, comprises sections relating to surveys, nautical advising, marine search and rescue, mercantile and general and defence liaison and explosives. The other branches of the Division comprise a Navigational Aids Branch, a Ship Structures Safety Branch and a Vehicle Structures Safety Branch. Exhibit 121 /3

74. We were informed that although the Establishments and Finance Branch will remain in Melbourne until 1973-74, it has been necessary to establish in Canberra a group equipped

to provide the necessary personnel, finance and office services for the Canberra-based staff. The Public Service Board Observer, Mr. Vanthoff, informed us that seven additional positions had been provided for the Establishments and Finance Branch for this purpose. These were the only additional positions provided by the Board arising from the geographical division of the Department. He added that against the cost disadvantage of this additional staffing, it had been necessary for the Board to weigh the advantages available to the Department from the location of its policy unit in Canberra. He expressed the view that any disadvantages arising from part of the Department being located in Canberra while the larger part continues for the time being to remain in Melbourne, will not lead to any real cause of administrative inefficiency.

Qs. 1126 to  
1131, 1118  
and 1134 and  
1135

#### Regional Offices

75. Regional offices are established in each capital city and assume responsibility for the following activities.

##### . Surveys Section

76. We were informed that this section conducts surveys of all ships registered in Australia and those engaged in the coastal trade other than vessels engaged in intra-state trade.

77. The surveys are conducted by departmental surveyors at the main ports and at outports by qualified officers, who are usually marine officers employed by various state authorities. Physical surveys and inspections include loading and unloading safety measures; the handling of dangerous goods as cargo; deck cargo and stowage; crew accommodation; stowage of grain and other bulk cargoes; lifesaving appliances; vessels under construction; loading lines; carriage of livestock, and inspections in connection with prevention of pollution of the sea by oil.

78. Additional to the functions referred to, the surveyors located in the regions are responsible for tonnage measurement of ships and the conduct of examinations for Masters, Mates and Engineers. Designated surveyors are appointed as regional authorities responsible for the department's commitments in marine search and rescue work.

Exhibit  
121 /3

. Lighthouse Services Section

79. It was stated that staff in the regions construct, operate and maintain aids to marine navigation, generally under the control and direction of a regional lighthouse engineer. The staff is engaged in field servicing work as well as repair, overhaul, maintenance and manufacture of equipment in the main workshop and uses a variety of transport media to carry out its essential task of keeping the lights in operation.

Exhibit  
121 /3

. Mercantile Marine Section

80. We were informed that Division 2 of Part II of the Navigation Act provides for the establishment of mercantile marine offices and the appointment of superintendents and deputy superintendents by the Minister.

Exhibit  
121 /3

81. Mercantile Marine Offices administer the Masters and Seamen provisions of the Navigation Act. Superintendents also act as agents for other Commonwealth countries in the administration of certain provisions of the merchant shipping legislation in respect of crews of British ships passing through Australian ports. It was said that while no reimbursement is provided to the Australian Government for these services, Australia obtains a compensating benefit from the fact that all distressed Australian seamen wherever they may be throughout the world are treated as British seamen and are dealt with by the British Government. The witness added that the provision of this service by the Department is achieved at little cost.

Exhibit  
121 /3  
Qs. 453 and 454

82. It was stated that the main functions of mercantile marine offices cover supervision of the engagement and discharge of seamen; conduct of inquiries into deaths, disappearances and casualties on or from ships; adjudication in disputes between masters and seamen; maintenance and relief of distressed British Seamen and administration of the Seamen's Stabilisation System. It was said that this System operates by virtue of a schedule to the Seamen's Award. It provides for the following administration functions to be carried out by superintendents at mercantile marine offices in specified ports throughout Australia:

- registration of seamen who are employed or who desire employment in the industry
- the allocation of seamen to ships
- recruitment when required to meet the needs of a port
- temporary or permanent removal from the system of seamen whose actions are inconsistent with the principles
- the grant of release from obligations to seamen registered under the system

Exhibit  
121 /3  
Qs. 457 & 458

83. We were informed that since the 1920's the department has maintained a complete record of all seamen who go to sea, the time they spend on various ships, and the time that they are off duty and have not served at sea.

. General Administration Section

84. We were informed that the regional administrative offices are responsible for implementing and administering departmental policy within each region. Throughout the department there is a liberal approach to the issue of delegations thus ensuring that the advantages of central co-ordination are achieved without limitations being placed on management in the operating regions.

Exhibit  
121 /3  
Qs. 459/467

85. The area of regional responsibilities is embraced within the State boundaries with variations in the case of Western Australia and Queensland. In Western Australia, the regional controller has responsibility for the control of surveys and lighthouse work in the Northern Territory, there being a marine surveyor and navigational aids maintenance officer stationed at Darwin. It was stated that the Northern Territory has not yet developed to the extent of warranting separate regional controller status by 1968 the department had established a senior surveyor in Darwin who acts as the regional controller's representative and the department's representative on a wide range of survey and mercantile marine matters in the Territory. In the case of Queensland, the regional controller accepts responsibility for marine navigational aids work in Papua and New Guinea beyond port and harbour limits.

Exhibit  
121 /3  
Q. 468

Chapter 4  
Organisation and Methods

86. The Public Service Board Observer, Mr. Vanthoff, informed us that it is the Board's policy that permanent heads, who, under the Public Service Act, have a primary responsibility for the efficiency of their departments, should have the benefit of specialists on their own staffs to undertake organisation and methods work. They should also be able to draw upon the Board's resources if they consider that the Board would be able to assist them.

Qs. 238 to  
241

87. The Inspection Sub-section of the Establishments Section of the Department of Shipping and Transport was created in its present form during a re-organisation of the Establishments Branch in 1965. The staff establishment of the Sub-section provided for five positions, one of Clerk Class 6, two of Clerk Class 5, one of Clerk Class 3 and one of Clerical Assistant Grade 4. The Sub-section is under the direction and control of the Officer-in-Charge of the Establishments Section. Although none of these officers hold tertiary educational qualifications, three have undertaken a course of study leading to a Diploma of Public Administration at the Royal Melbourne Technical College.

Exhibit  
121/18  
and Q. 236

88. In its request to the Public Service Board for the establishment of an Inspection Unit the Department agreed to continue to use the Board's advisory Organisation and Methods service for major methods and procedural reviews. The staff establishment, approved by the Public Service Board in 1965, was considered to be the minimum required to undertake minor methods reviews as well as the following functions:

Exhibit 121/18

- Inspection of office systems and methods;
- Review of branches and establishments and the preparation of reports and recommendations on matters of organisation;
- Design, control and review of official forms and stationery;
- Review and processing of requirements for office machines and equipment;
- Maintenance of establishment records and the preparation of staffing returns and statements;
- Administration of the Departmental staff suggestions scheme;
- Preparation or editing, as appropriate, and the publication of staff instruction manuals.

Joint Public Service Board Departmental Reviews

89. During 1959-60 a review was undertaken of the organisation and functions of the Marine Services Branch. This review was conducted by an officer of the Public Service Board and two departmental officers over a period of about two years. The Report was submitted to the Secretary of the Department of Shipping and Transport and the Chairman of the Public Service Board early in 1961 and provided the basis for a re-organisation of the Branch. Exhibit 121/18 and Qs.1203 to 1205
90. Lighthouse workshops and the operation of the Lighthouse Section, Central Office, had received some criticism in the 1959-60 review and it was considered sufficiently important to justify specialised attention. A review of Lighthouse Workshops and the planning function of the Lighthouse Section, Central Office, was undertaken in 1962-63 in order to improve the means of control of workshop activities and to ensure an adequate supply of information for planning purposes. About one hundred recommendations were made in the Report of the joint review team, the majority of which were accepted and implemented. The result of this review was a more positive approach to the planning of a programme of future activities by the Lighthouse Section and a better standard of control and supervision of activities in lighthouse workshops. Exhibit 121 /18 Qs.1206 and 1207
91. A review of the supply function of the Department was undertaken during the period 1963-65 with a view to rationalising and standardising procedures. Exhibit 121 /18
92. During 1964-65 a review was undertaken, over a period of eight months, of the organisation, systems and procedures of the Mercantile Marine Offices. This review resulted in more than one hundred recommendations for change in practices and procedures, ninety per cent of which were accepted. Exhibit 121 /18 and Qs.1208 to 1211
93. During 1966 a review was made of the qualifications and work levels of Surveyors (Marine) and related designations. In 1967 a comprehensive examination was made of internal audit work in the Department and a recommendation was made for the introduction of an appropriate internal audit organisation. During 1967-68 Exhibit 1 21 /18

matters relating to the designation, grading, organisation and establishment for Mechanics (Lighthouse) and associated staff were examined.

General Reviews

94. In addition to joint reviews, various tasks have been undertaken within the resources of the Inspection Sub-section since its establishment in 1965.

95. In conjunction with the Public Service Board and related staff associations, a complete revision of determinations covering rates of pay and conditions of service of staff employed on lighthouse service vessels, was undertaken in order to obtain uniformity of award conditions where possible for crews of Lighthouse Service vessels. The resultant consent determinations were consolidated in a Departmental loose leaf manual. We were informed that the revision was working well.

Exhibit  
121 /18  
Qs. 1228 and  
1229

96. Instructions were prepared; staff trained; and forms, documents and office machines were reviewed prior to the introduction of decimal currency. A review of the Shipbuilding Division registry system was undertaken in 1965, including the preparation of a list of index headings to define areas for the recording of incoming correspondence, the preparation of instructions to staff, and the development of a programme for the disposal and storage of registry papers, ships plans, etc.

Exhibit  
121 /18  
Qs. 1212

97. In 1965 deficiencies were found in the information contained in records relating to changes in the establishment and staffing of the Department. A new card system was introduced which provided a progressive record of establishment and staff changes and new procedures were developed for the referral of information from Regional Offices to the Central Office.

Exhibit  
121 /18  
and Qs. 1225 to  
1227

98. In 1966, following the relocation of the Central Office involving a substantial increase in rental charges for accommodation, an investigation was undertaken to determine an alternate facility for the retention and referral of information contained on the 360,000 cards comprising the Central Register of Seamen employed in coastal shipping and occupying thirty-two square

Exhibit  
121 /18  
1224



feet of storage space. Microfilm was adopted as a storage facility and a reader printer was acquired for referral purposes. The change involved the replacement of the cards by microfilms, stored in a small drawer in Central Office. The microfilm facility was subsequently extended for use in the storage of the business papers, minutes of meetings and records of the Australian Transport Advisory Council and associated Committees. This resulted in a saving of fifty-four square feet of storage space and a simplified method of referral.

Exhibit  
121/18

99. With the move in 1966 of the Central Office to new accommodation and the separation from the Victorian Regional Office, planning was undertaken for the accommodation arrangements, communication facilities, provision of services and related matters in the new building.

Exhibit  
121/18

100. A comprehensive review was undertaken in 1966 of Central Office reproduction services with a view to the centralisation of facilities and improvement of the service provided to user Sections. A changeover from stencil to offset reproduction was made, and ancillary machines introduced. This change was said to have brought about an improved standard of service as well as a reduction of work in user Sections. In addition the Office Service Section has been able to cope with a steadily growing volume of reproduction work without an increase in the staff establishment.

Exhibit  
121/18 and  
Q.1216

101. Further registry reviews were undertaken in the Personnel Section, Central Office in 1967 to establish a comprehensive list of index headings and a progressive records disposal programme. In the same year registry facilities were introduced into the new Mercantile Marine Office at Port Kembla.

Exhibit  
121/18  
and Qs. 1213  
to 1215

102. Minor investigations have been undertaken in respect of requests for the acquisition or replacement of office machines and equipment. We were informed that all such acquisitions are dealt with strictly in accordance with Treasury Directions 31/46 and in each case the approval of the Public Service Board and the Commonwealth Stores Supply and Tender Board is obtained.

Exhibit  
121/18

103. In order to economise on time involved in typing and the checking of material, an automatic tape controlled typewriter was acquired to facilitate the amendment and re-issue of departmental documents such as the vocabulary of stores, staff instruction manuals, etc. Exhibit 121 /18

Major Organisation and Establishment Reviews

104. The evidence shows that thirty major organisation and establishment reviews were undertaken during the five years 1965 to 1969. Exhibit 121 /18

105. In 1965 a general re-organisation review was made of the Establishments and Finance Branch, Central Office, including the introduction of a stores supply, training, internal audit, methods and relief positions. Staffing requirements to deal with projects under the Western Australian Standardisation Agreement were also reviewed in the Rail standardisation Section of that Office. Other Central Office reviews conducted in that year related to clerical staffing needed to provide additional assistance to professional staff and to expedite legislative amendment work in the Marine Services Branch and a work count of typing services. Regional Office reviews conducted in 1965 covered the permanent staffing needed in the Mercantile Marine Offices in all States to implement the provisions relating to the Seamen's Stabilisation System while in Queensland, a review was made of the training needs in the Lighthouse Services Section. Exhibit 121 /18

106. In 1966 a Central Office review was made of the staff needed to service the Australian Transport Advisory Council and its Committees. As a result, this work was centralised in a new Section. Exhibit 121 /18

107. In the Regional Offices a review connected with the Production Section of the Shipbuilding Division in all States was made into the staffing required in shipyards to cover the increase in shipbuilding activity following the 1964 Tariff Board review and general increase in shipbuilding activity. Exhibit 121 /18

Reviews in all States were also made of the work loading and grading basis for radio staff and work loads and establishments in the Survey Sections following the joint Public Service Board/Departmental review of Surveyors(Marine) and related positions. In Western Australia a review was made of the clerical staff in the General Services Section.

108. In 1967 a review was made of the staff needed in the Transport Development Section, Central Office, to undertake transport economic research work and to provide associated statistical and library services. A review was undertaken of the staffing required in the Land Transport Section, Central Office, to provide improved professional and technical services for the Australian Transport Advisory Council and its Committees and to deal with policy considerations associated with land transport. A review was also made of the Central Office stores supply staff in connection with the implementation of the recommendations of the joint Public Service Board/Departmental Review Committee on a rationalised and standardised supply procedure and a further examination was made of the clerical staff required in the Administrative Section of the Shipbuilding Division to cater for increased contractual and financial work flowing from increased shipbuilding activity since 1964. A Central Office review was also made of the staffing needs of the Special Projects Section to deal with projects of a special character.

Exhibit  
121 /18

Exhibit  
121 /18  
and Q.1230

109. Reviews of the staffing of the General Services Sections in the New South Wales and Victorian Regional Offices were also made in 1967. In the latter case there was a need to assess the additional staff required to take over responsibility from the Central Office for the accounting function and the Point Wilson Explosives Area.

110. Central Office reviews conducted in 1968 related to staffing required in the Marine Services Branch to review and co-ordinate marine search and rescue activities; staffing needs in the Sea Transport Section to deal with policy matters arising from participation in overseas shipping trade, increased shipbuilding activities, containerised shipping services and

Exhibit  
121 /18  
and Q.1231 to  
1237

related matters; and sub-professional assistance to engineering staff in the Lighthouse Services Section. A review was also made of the inspection positions needed in the Production Section of the Shipbuilding Division following increased activity at shipyards at Maryborough, Queensland and Birkenhead, South Australia. A work count was also conducted of the Typing Services of the Central Office.

111. In the same year surveyor staffing in the Survey Sections was reviewed in all Regional Offices in relation to the increased work load arising from the survey of oil search vessels and generally increased shipping demands. Also, the organisation changes recommended by the joint Public Service Board/Departmental review team for the conduct of the departmental programme of internal audit were implemented in the Internal Audit Sections of all Regional Offices. In addition, a review was conducted of engineering arrangements in the Lighthouse Services Sections in Victoria and Tasmania. This resulted in the separation of these offices for operational lighthouse purposes and the provision of engineering assistance to the Regional Controller, Tasmania.

Exhibit  
121 /18

112. In 1969 a total review of the Shipbuilding Division organisation and establishment was undertaken as a result of difficulties experienced in coping with the total load of shipbuilding activity in the Production Section. Inspecting officer grades were introduced for work involved in oversight of production at shipyards and at sub-contractor premises while positions of trainee draftsmen and trainee engineers were introduced into the design area to assist in overcoming recruitment problems. The Administrative Section of the Division was re-organised to provide a basically Fourth Division structure to cover office service activities.

Exhibit  
121 /18

113. Also in 1969 a general review was carried out of the supply establishment in each State Regional Office associated with

Exhibit  
121 /18

additional work arising from new stores provisioning and control procedures and to cover general reviews of work volume.

114. During our examination of the Department's submission relating to Organisation and Methods work undertaken by its Inspection sub-section, we noted that during the five years concerned, major organisation and establishment reviews resulted in the creation of one hundred and fifty-seven positions on the Department's establishment. Details of these and other positions created within the Department are included in Chapter 8 relating to Establishment and Staff.

Exhibit  
121/8

#### Staff Suggestions

115. During the period July, 1965 to September, 1969 thirty-six suggestions were received from staff members. Nine of these were adopted and awards totalling \$205 were paid to proponents. An additional amount of \$67 was paid as encouragement awards where suggestions had merit but could not be adopted. The forms Officer is Secretary to the Suggestions Committee and the Inspector (Establishments) is the Committee Chairman.

Exhibit  
121/8

#### Forms Reviews

116. A position of Forms Officer (Clerk, Class 5) was added to the establishment in 1962 and a comprehensive control system of forms used within the Department has been introduced and maintained. In addition a continuous review programme has been implemented with emphasis placed on the improvement in design features and the combination of existing forms wherever feasible. The review programme provides for a systematic review of departmental forms on a cyclical basis which ensures that any necessary revision or change in format is effected. In 1966 a new provisioning procedure was introduced for printing and replenishment of supplies of forms. It was said that this procedure is closely co-ordinated with the review programme.

117. Forms as well as official stationery and publications have been redesigned in line with government policy on the adoption of international paper sizes and between October 1966 and September 1969 more than 400 forms had been adapted to this size. The total number of forms cyclically reviewed in all functional groupings has exceeded 700 annually.

Exhibit  
121/18

Staff Instruction Manuals

118. Instruction Manuals compiled and issued for the guidance of departmental staff since 1966 in areas where Manuals had not been compiled previously are 'Awards and Determinations-Lighthouse Vessels' commenced in 1966. Manuals compiled in 1968 were 'Aids to Navigation Engineering Instructions', 'Instructional Manual for Aids to Navigation Stations', 'Standing Orders for Personnel at Aids to Navigation Stations', 'Standing Orders to Masters and Crews of Lighthouse Tenders', 'Search and Rescue Instructions', Manuals compiled in 1969 comprised 'Instructions to Surveyors', 'Instructions to Examiners of Masters and Mates and Marine Engineers', and 'Instructions to Superintendents of Mercantile Marine Offices'.

Exhibit  
121/18  
and Q.1238

Chapter 5  
Internal Audit

The Position Prior to 1966

119. We were informed that prior to 1966 the function of internal audit in the Department had been limited in the extent and usefulness of the facility available as only one fulltime auditor, a Third Division Clerk, Class 3 in the Central Office Finance Branch, was employed on this work. He was engaged in internal audit duties largely of a routine nature including a weekly audit of the Receiver's cash advance; a monthly audit of the pay vouchers and revenue receipts; postings to cash book and cash advances and remittance book. Audits also covered accountable and saleable forms used in the Department, a monthly audit of paid cash advances; postage stamps and the franking machine; a monthly audit of outstanding debtors and a quarterly audit of trustee accounts. He was also required to conduct an annual audit of custody of keys; check and reconciliation of trust accounts; and as opportunity offered, audit stores procedures and spot check stores holdings. Exhibit 121/5  
Qs. 624 and 625
120. In most of the other mainland capital cities, in addition to reliance placed upon the Commonwealth Audit Office, the function of internal audit was performed part-time by a clerical officer who had other duties to perform in addition to any time he was able to devote to internal audit. Exhibit 121 /5
121. As the total clerical staff of the Department in Tasmania consisted of four positions only, local internal audit was said to be impracticable. It had been proposed that an auditor from Central Office should be sent to audit the accounts of the Tasmanian Branch, but this did not take place prior to 1966. Exhibit 121 /5  
Q.642
122. It was claimed that some improvement in this situation was achieved in 1966, when, as an interim measure the internal audit function was separated from the Finance Section in Central Office and the occupant of the position was relocated to allow his reports to be made direct to the Controller, Establishments and Finance Branch. The following table indicates the staff involved in internal auditing in the Departmental branches following this change. Exhibit 121 /5

Table No.1  
Department of Shipping and Transport  
Internal Audit Staff - 1966

Designation	Central Office	NSW.	VIC.	QLD.	S.A.	W.A.	TAS.	TOTAL
(Clerk Class)								
4	1							1
3			1(1)			1(2)		2
2		1(3)		1(3)				2
1					1(4)			1
Total	1	1	1	1	1	1	-	6

(1) 50 per cent of time allocated to audit duties.

(2) 25 per cent of time allocated to audit duties.

(3) 70 per cent of time allocated to audit duties.

(4) 20 per cent of time allocated to audit duties.

Source: Department of Shipping and Transport

123. We were informed that the audit arrangement was essentially the same in each state and was oriented towards the cash and accountability of the Department's activities. The division of duties and hence the variation in time spent on audit work made internal audit in the Department prior to 1966 unsatisfactory.

Qs.629 to  
631

Review of Internal Audit

124. The Department informed us that in 1966 the Public Service Board established an interdepartmental committee to review the functions, duties and responsibilities of audit positions in Commonwealth Departments. At that time the Department of Shipping and Transport was developing re-organisation proposals for its Establishments and Finance Branch, including provision for increased attention to internal audit work. Accordingly, the Department of Shipping and Transport deferred any proposals for a changed approach to internal audit work pending advice of the committee's findings. These became available in April, 1967. The main conclusions of the committee were accepted by the Public Service Board and its decisions arising from the review were formally notified in Public Service Board Circular No.1969/20 of 11 July, 1968.

Exhibit  
121 /5



125. It was stated that following the acceptance of those principles and recommendations of the interdepartmental committee that were relevant to the Department it became necessary for a review to be undertaken of their application. An officer of the Board's staff who had been a member of the interdepartmental committee and a senior officer of the Department of Shipping and Transport, operating as a 'review team' undertook a complete appraisal of internal audit in the Department. This appraisal was completed in August, 1968. Their report included criticisms relating to the limited effectiveness of a part-time staff engaged in this type of work and to the fact that they could not pursue in any depth the basic inquiries that they were undertaking. Officers were not, in fact, functioning as internal auditors, but were simply operating as routine checkers. In particular, part-time staff restricted the opportunity for internal auditing at outstations, remote depots and like places.

Exhibit  
121 /5  
and Q.649

126. The report also included recommendations on proposed new fields of work for internal audit, arrangements for internal audit coverage in Tasmania and for comprehensive periodical audits of lightstations and other remote operational depots which have special features so far as the Department is concerned. It also made recommendations in respect of staff establishments.

Exhibit  
121 /5  
and Q.649  
and Committee  
File 1969/3

127. In commenting on the state of affairs in the Department's internal audit arrangements prior to the review in 1966, the Audit Observer, Mr. Ragless, indicated that the defects in the system were probably similar to those existing at that time in most Commonwealth departments. He described as unsatisfactory a situation where part only of an internal auditor's time is engaged on internal audit work. He added that such a situation is unavoidable, however, in the absence of a centralised internal audit control which will allocate auditors to remote localities on a periodical inspection basis.

Q.635

#### The Present Organisation

128. It was claimed that the staff establishment being implemented at the time of our inquiry, as a result of the review

team's recommendations was expected to provide proper co-ordination and direction of a more comprehensive internal audit programme from the Central Office. The Central Office unit of three full-time officers performs all audits in the Central Administration in Melbourne, and the Regional Offices in Victoria, South Australia, Western Australia and Tasmania. It was claimed that full time internal audit positions in the Regional Offices in New South Wales and Queensland will ensure a more thorough and continuous approach to audit responsibilities in both of these regions. In 1969, an Inspector (Internal Audit) Class 7 and two Internal Auditors Class 4 were located in the Central Office while one Senior Internal Auditor, Class 5 was located in each of the New South Wales and Queensland Regional Offices. Under the new organisation the internal auditors will report through the Inspector (Internal Audit) to the Controller, Establishments and Finance Branch.

Exhibit  
121 /5  
and Qs.  
650 to 652

129. We were informed that following his appointment in March, 1969 the Inspector (Internal Audit) had engaged in the preparation of current audit procedures for the Central and Regional offices of the Department. These new procedures include detailed programmes covering revenue, expenditure, supply, personnel and related functions of the Department. They also provide for regular audits of depots, stations, sub-stores, etc., located away from the capital cities.

Exhibit  
121 /5

130. It was claimed that when fully staffed, the Internal Audit Section should achieve a significant improvement in the standards and procedures of internal audit and a high level of effectiveness in its operations. The Department stated that care will be taken to ensure that the effectiveness of internal audit is kept under close scrutiny and that top management is provided with an adequate and efficient internal reporting service.

Exhibit  
121 /5

#### Functions of Internal Audit Section

131. It was said that in revising the functions of internal audit the Department has taken care to ensure that there is positive acceptance of the principles now generally applying in this field. The revised functions were said to include:-

- (i) the independent appraisal and review of controls over accounting(financial and stores),storckeeeping and other operations;
- (ii) provision of advice and assistance to top management in the effective discharge of its responsibilities by supplying analyses,appraisals,recommendations and pertinent comments covering the activities reviewed;
- (iii) advising on the extent of compliance with established policies,plans and procedures;
- (iv) reviewing the adequacy of existing and proposed financial,stores and other instructions;
- (v) advising on the effectiveness of the accounting and safeguarding of assets owned by or under the control of the Department; and
- (vi) reviewing the adequacy of internal audit programmes and proposing amendments where necessary.

Exhibit  
121 /5

132. In view of these developments we requested the Audit Observer, Mr.Ragless, to state the principles that apply generally in internal auditing and to evaluate the relevant functions implemented by the Department in 1969. He defined internal auditing as an independent post-operative appraisal function performed within a department as a service to management and is a function superimposed over the internal checking system within a department. He expressed the view that the revised internal audit functions within the Department of Shipping and Transport appeared to be consistent with the definition that he had given and which had been stated in Public Service Board Circular No.1968/20.

Q.653

133. The Department listed specifically the areas to be covered by Internal Audit Programmes. These included the following:-

Transport,Marine and General Service Division,  
Central Office, Melbourne;  
Shipbuilding Division,Central Office,Sydney;  
Regional Office, All States;  
Explosives Area. Point Wilson,Victoria;

Mercantile Marine Office, all Capital Cities and outports;

Regional Main Stores and sub-stores in all States;

Lighthouse Supply Vessels, with the home ports of Melbourne, Brisbane, Fremantle, Thursday Island and Samarai, Territory of Papua and New Guinea;

Exhibit  
121 /5

Aids to Navigation Stations, all States;

Regional Main Workshops, all Capital Cities and sub-workshops presently situated at Darwin, Cairns, Thursday Island and Samarai, Territory of Papua and New Guinea.

Internal Audit Reports.

134. As part of our inquiry we sought specific evidence relating to internal audit reports made since 1964 and the action taken as a consequence of them. This information showed that two reports had been made by the New South Wales Regional Office in 1964, one report by the Central Office each year from 1965 to 1968 inclusive and two reports had emanated from the Victorian Regional Office in 1967 and two in 1968. In each case the reports had been adopted by the Department's top management. Details of these reports and the action taken are given in Appendix No. 7 to this Report.

Q.632 and  
Committee File  
1969/3

Chapter 6  
Maintenance and Control of Stores and Assets

135. We were informed that in addition to the usual requirement for office requisites and supplies, the principal area in which the Department's holding of stores and assets lies, is the Lighthouse Services Section of the Marine Services Branch, which is concerned with the operation of lighthouses and other aids to marine navigation and the maintenance of support services (workshops, lighthouse service vessels, etc) which are necessary to this function. Exhibit 121 /6

136. When our inquiry commenced in May 1969 the Department was in the process of making significant changes in the methods and procedures used in its stores system.

137. The evidence indicated that the earlier control of stores and assets was based on a decentralised system whereby all accounting for stores was carried out in Regional offices. Only the capital equipment procurement programme was compiled and administered from the Central Office. Exhibit 121 /6

138. Under that arrangement each Region was responsible for the definition of stores into "accountable" or "consumable" categories for stores accounting purposes. Ledgers and proper recording of transactions were maintained for Capital City store stocks and accountable items held at the Regional establishments. Although a stockcard was kept for each item of plant or equipment held in each Regional Office, no consolidated Central Office record existed. Exhibit 121 /6

139. We were informed that under that system clerical staff were engaged in purchasing work in each Regional Office and at the Central Office, but the responsibility for maintaining and controlling the principal stores and assets was assumed by the Regional Lighthouse Engineer in respect of Lighthouses and Lighthouse Supply vessels. Outside the lighthouses area the Administrative Officer was responsible for the control of office supplies, furniture and like items. Exhibit 121 /6 and Q.666

140. There was very little direction of staff and stores accounting processes as such, although in 1950 the Central Office had compiled and published a brief document on Stores procedure for

regional office use. Minor changes were made to this document on several occasions but it was not republished.

Q.659 and 660  
and Committee  
File 1969/3

141. Supplies for lighthouses including operational stores and the domestic needs of lightkeepers other than those carried aboard departmental vessels were transported by contractors either under separate contracts or as part of a transport agency's normal business arrangement.

Exhibit  
121 /6

142. It was said that, arising from Regional reports regular stocktakes were undertaken, reconciliations effected and adjustments made to records. Treasury approval had been given for stocktakes to be made at remote lightstations every three years instead of at prescribed 12 monthly intervals. The stocktakes at these stations were made by Regional office staff allocated especially for that purpose.

Exhibit  
121 /6  
Q.665

143. Although it was claimed that there had been proper compliance with the provisions of the Audit Act and Treasury Regulations, the system that had developed was based on individual Regional needs and therefore significant differences occurred between Regions in such matters as the description of items of equipment. Difficulties in communication arose from confused descriptions, unnecessary errors occurred in the results of stocktakes and in stores accounting, stockholdings became inefficient and considerable difficulty was experienced in establishing the value and extent of overall stores holdings.

144. We were informed that the disposal of obsolete and redundant stores was made on the direction of the Regional Lighthouse engineers. Disposals of saleable stores were made through the Department of Supply and other Stores were destroyed by the Department of Shipping and Transport. Under the system then operating, the Department held obsolete lighthouse stores purchased many years previously but its holdings of stores required currently were inadequate. This imbalance in stores was not apparent to the Department at the time.

Qs.695 to  
702

145. It was stated that during late 1962 and early 1963 it became increasingly apparent that there was a need for the introduction of a supply system which would correct these deficiencies and would also provide a proper basis on which the higher management of the Department could rely, particularly for the purpose of forward planning of future needs, the economic utilization of existing supplies and services and adequate control over procurement, stores issues, boards of survey and like matters.

Exhibit  
121 /6  
and Q.655

146. In May, 1963 a committee comprising an expert on supply matters from the Public Service Board and an officer of the Department was established to examine the practices in existence and to formulate recommendations. This review extended over two years and on 16 March 1965 a report containing eighty recommendations was lodged with the Department. On 12 April, 1965 the Public Service Board was requested to create a position of Inspector(Supply) within the Department to enable a co-ordinated supply procedure to be developed. Late in 1965 the Department secured Public Service Board approval for the establishment of a separate Supply Section and, following the recruitment of staff, the introduction of an improved supply system was commenced in February, 1966.

Exhibit  
121 /6  
Qs.654  
657 and 658

147. We were informed that the improved supply system involved the provision of properly controlled purchasing facilities at Central Office; the preparation of comprehensive supply procedures and the design and production of associated supply forms; the compilation of a vocabulary of stores of all items known to be in use in the Department; the determination of accounting and supply classifications of all stores as well as their provisioning status (whether provisioned locally in a Region or from Central Office) and the drafting of station(lighthouse, vessel etc) stores ledgers. These improvements had been effected by the end of October, 1968.

Exhibit  
121 /6

148. It was stated that concurrently with the work commenced in 1965, an approach was made to the Public Service Inspector in each Region for the establishment of appropriate positions in the Supply Section to fulfil the requirements of the new supply procedures. Between November 1968 and March 1969 officers of the Supply Section of the Central Office visited each Regional establishment and conducted instruction in the new system.

Exhibit  
121 /6  
and Q

149. Personal tuition and guidance were given wherever possible. This covered voucher control, authorization, recording etc., stores accounting, funds estimating and programming, cyclical provisioning on a carefully predetermined basis, inventory control in respect of Main Store stocks and station stores holdings, purchasing, tender and contract action and the maintenance of ledgers.

Exhibit  
121 /6  
and Qs. 672 &  
675

150. We were informed that the newly implemented supply system complies with the requirements of Treasury Regulations. The more important of these are listed below:

- (a) obtaining the requisite number of quotations and the invitation of public tenders, as may be necessary, for supplies and services;
- (b) arranging appropriate publicity, both when inviting tenders and having formed contracts;
- (c) referring details of requirements for printing supplies (where satisfaction cannot be obtained from a government printer) and office machines to the Commonwealth Stores Supply and Tender Board, and for typewriters and certain office machines to the Public Service Board for their respective approvals to purchase;
- (d) utilising the procurement facilities available in the High Commissioner's Office in London and in the Australian Consul-General's Office, New York for supplies that are obtained from the United Kingdom and other European countries and the United States of America as the case may be.
- (e) acquiring supplies which are available under Commonwealth and State contracts from such contracts;
- (f) processing requisitions for building projects, furniture and fittings, as provided for in the

Exhibit  
121 /6



approved Works programme, through the Department of Works;

- (g) obtaining the approval of competent authority to write off stores which are lost or deficient, or which are obsolete, surplus and unwanted and recommended for destruction;
- (h) ensuring funds authorisation and approval of competent authority has been obtained prior to the issue of a Purchase Order.

151. The main features of the current supply system operated by the Department are as follows:

. Purchasing

152. Department policy in regard to purchasing is based on the following three conditions:-

- (a) the views of appropriately qualified staff are sought in respect of the procurement of special or technical stores, particularly in regard to the need for and the technical suitability of the stores in question;
- (b) it must be ascertained from stock ledgers that the item or a suitable alternative is not available from existing stock held in departmental storehouses, due consideration being given to the transfer costs involved and;
- (c) funds availability must be established and provision made in the approved programme for the purchase of such supplies or it must be established that substitution for another item in the programme is possible.

Exhibit  
121 /6 and  
Qs.704

Exhibit  
121 /6  
and Qs.708 to  
721

153. We were informed that purchasing by the Department is made in accordance with a trade list of suppliers as required by Treasury Direction 31/19. Trade lists are subject to continual review by the purchasing officer. Non-technical stores such as

Qs.687,688,  
690 and 705  
and Committee  
File 1969/3

stationery, are purchased according to annual usage, which is kept under constant review. Q.705

. Stores Receipt

154. Regarding the receipt of stores we were informed that stores documents are prepared as carbon copies of the original purchase order forwarded to the supplier. The stores documents are transmitted to the points at which material inspection is to be undertaken. On delivery, the stores are received by a storeman and inspected for quality. When the stores have been accepted and the storeman has recorded the goods on the appropriate bin card, the stores documents are transmitted to the Supply Ledger Section where the adjustment is made to the ledger balances. It was stated that the basic control exercised in this area lies in the examination of the documents in the Supply Section and in their numerical recording to be certain that every document required has, in fact, been received. Q.705

. Stores Issue

155. To ensure that demands for supplies or services are essential to the needs of a particular Section, the senior officer in charge of that Section must approve any request for supplies or services prior to its submission to the Supply Section. A stores issue voucher is raised and approved by an authorised officer and is submitted to the Supply Ledger section to establish the availability in store of the items required. When this has been established the voucher is forwarded to the storeman who arranges for the issue of the stores and its recording on the bin card. The storeman is also required to record his new bin card balance on the issue voucher which is returned to the Supply Ledger Section for adjustment of the relevant ledger record. It was said that this procedure enables the ledger keeper to compare his records with those shown on the issue voucher and to detect any discrepancy between the bin balance and the ledger balance. Exhibit 121 /6 and Qs. 683 and 684

. Vocabulary of Stores

156. It was stated that within the Central Office a complete schedule has been prepared of each item of stores used by the Department. This schedule was reproduced and issued in July, 1968

as a vocabulary of stores. It provides members of the Department with a detailed comprehensive basis on which to improve the accuracy of communications relating to stores, stores accounting and warehousing activities, and purchase of supplies, the specifications of which are often detailed and complex. The Vocabulary of Stores provides essential details of all stores items including an identification number, description, associated drawing reference, manufacturer's part reference, the basis of supply by volume measure or quantity, accounting classification, parent equipment reference where desirable and the basis on which provisioning of the item is to take place, particularly whether it will be provisioned by the Regional Office or will form part of the composite provisioning action by the Central Office. It was said that all amendments are effected and promulgated by the Central Office, thus ensuring continued uniformity and, by selective identification of new items, a measure of standardization of stores items can be achieved. A copy of the vocabulary was submitted by the Department for our inspection.

Exhibit  
121 /6  
and Qs.722 to  
724

. Station Store Accounts

157. These accounts are dual-leaf ledger records which provide detailed itemisation of stores entitlements for Stations such as lighthouses, vessels, workshops and administrative offices, the level of entitlement having been determined by the Supply Section in liaison with the user sections. For convenience separate accounts known as 'Articles-in-Use' accounts and 'Authorised Station Holding' accounts are maintained for accountable items and consumable items respectively.

Exhibit  
121 /6

158. Each 'Articles-in-Use' account comprises a pre-typed entitlement sheet together with a ledger record of stores release and receipt transactions which are posted by the Regional Supply Section. It was said that this procedure allows the Regional Supply Officer to control and approve the movement of accountable stores within the Region.

Exhibit  
21 /6

159. Each 'Authorised Station Holding' account comprises a pre-typed entitlement sheet together with a ledger for recording the level of stock on hand when stores are replenished. The

entitlement sheet and ledger are maintained by the Officer-in-Charge of each Station. A copy of the entitlement sheet is held in the Regional Supply Section. Stores replenishment is carried out periodically by the Supply Officer who approved replenishment of stock up to the authorized level on the basis of the current holding recorded in the ledger by the Officer-in-Charge of the station. It was claimed that by careful reference to replenishment rates and control over additions or deletions to the entitlement schedule an adequate inventory control is maintained.

. Stock Cards

160. It was said that each Regional Supply Section maintains a complete ledger record of its holdings on individual stock cards. These contain records of receipt and release transactions, dues in and dues out, postings, stock and value balances. It was claimed that this provides asset/liability information in respect of each individual item of store stock.

Exhibit  
121 /6

. Stock Value Control Cards

161. We were informed that this record which is maintained separately from stock cards, provides a summary of the value of separate groups and sections of stocks held in main stores. It was said that by the progressive posting of details of receipt and release transactions and closing stock balances, it is possible at short notice to obtain a value of holdings of all items or of any particular group or section of the stores inventory. It was claimed that this facility provides an additional inventory control and is an aid in the estimation of funds required for provisioned stores.

. Programmed Provisioning

162. It was said that a regular analysis of usage rate, etc. indicates the existence of surplus and obsolete stocks in the total assessment of anticipated future requirements. By constant and critical review during the provisioning process, irregularities in inventory holdings can be identified and attention given to the establishment and maintenance of optimum stock levels.

Exhibit  
121 /6

. Periodic Stocktaking

163. We were informed that the introduction of an identification numbering system of stores should eliminate uncertainty in the physical recognition of stores during receipt and stowage processes. Stocktaking should benefit from this facility to the extent that discrepancies in receipt and release transactions and inaccuracies in the stowage of stores should be virtually eliminated. In addition to main store stocktaking, the regular inspection by Supply staff of stores, including such assets as navigation aids, communication and power generating equipment at Stations will result in records being properly maintained for new facilities and decommissioned equipment thereby ensuring that the need for maintenance spares is kept under close review. Exhibit 21 /6

. Perpetual Reconciliations

164. It was stated that each stores receipt and/or release transaction must be accompanied by a scrutiny of vouchers to indicate bin balances after receipt and/or release of stores. It was claimed that checks of these against stock ledger balances ensures that immediate investigatory action is taken to identify any apparent discrepancy and to take appropriate corrective action. Exhibit 21 /6

. Voucher Control

165. The Department informed us that the new system of voucher control requires each supply form to be registered and its movement through the various stages of a transaction supervised closely by supply personnel. The endorsement of a sequential number of each form in respect of receipt and release transactions, provides for effective inventory control and accuracy in stores accounting. Exhibit 21 /6

. Estimating and Programme Control

166. It was stated that in conjunction with the foregoing, realistic estimating of funds and the effective carrying out of the provisioning/purchasing programme are considered by the Department to be critical features of any system by which inventory is to be controlled at management level. Exhibit 21 /6

167. It was claimed that the development of a specialist supply staff in the Central Office and in the Regional Offices, each with clearly defined duties and responsibilities, together with improved supply techniques and the ready availability of information on projected needs and stores usage rates, will provide the operational areas of the Department with a level of service that should enable them to achieve a more efficient and comprehensive navigational aids system. It was also claimed that from the viewpoint of higher management, the new system should provide control data which it has not had in the past, improved staff efficiency resulting from uniformity of working procedures and practices, more effective use of available funds and adequate safeguards against the misuse of stores.

Exhibit  
121 /6

168. Witnesses were questioned regarding the use of computers in the area of stores control. We were informed that the principal objectives have been to achieve the acceptance of the new supply control concept and to bring the new system into operation within the Department before considering further refinements to the system. The witness added that late in July, 1969 the Department had considered the question of whether machine accounting should be introduced as an improvement over the present manual accounting arrangements. Machine accounting had not been implemented as an initial requirement of the new Supply system, because, at that stage, the stores operation was considered to be comparatively small.

Q.671

Chapter 7

Telephone Facilities

169. Following our One Hundred and Seventh Report relating to Subscriber Trunk Dialling Telephone Facilities we sought a specific submission from the Department relative to the controls that it exercises over telephone facilities generally. P.P. No.23 of 1969.
170. We were informed that within the Department control measures over the availability and use of telephones have relied largely on the exercise of personal supervision by staff supervisors at all levels. Exhibit 121 /14
171. Telephone facilities available to the general staff are usually located in open working areas where direct supervision is possible. Although some doubts were expressed regarding the effectiveness of direct supervision the witness felt that the presence of the supervisor in the work area restricts the tendency for supervised staff to make unauthorised telephone calls. Supervisory staff are made aware of their responsibilities whenever possible on such occasions as staff conferences, training courses etc., and by the periodical issue of instructions. Exhibit 121/14 Qs.1015 to 1017
172. We were advised that lunchtime supervision in most branches requires at least one officer to be on duty and after hours an officer is rostered to remain on duty for the purposes of general supervision including telephone usage of the office area until it is locked. Q.1018
173. We were informed that since 1963 a further level of supervisory control has been exercised at the management level by a continual review of proposals for additions or alterations to the availability of switchboard extensions in offices where there is not always available an effective level of staff supervision. All proposals for additions to the telephone network within the Central Office are reviewed in the Establishments and Finance Branch and must be recommended by the Officer-in-charge of the Section requesting Exhibit 121 /14 Qs.999 and 1,000

the additional service. In the Regional Offices this responsibility rests with the local administrative officer who is required to report to the Regional Controller.

174. It was stated that as a further measure of control, constant reviews are made of telephone expenditure both in the Central Office and in Regional Offices. Unsatisfactory trends in expenditure on telephone facilities are usually identified early in terms of locality, and investigations are made to establish the reasons for increased expenditure.

Exhibit  
121 /14

175. It was stated that in the Central Office the responsibility for expenditure reviews rests basically with the Accountant. In the Regional Offices, reviews of expenditure are undertaken initially by the officer responsible for detailed recording work in the finance area. This officer is required to report to the administrative officer who, in turn, has the responsibility of bringing any unsatisfactory trends to the notice of the Regional Controller.

Exhibit  
121 /14  
and Q.1001

176. In the Central Office and in each Regional Office a list of trunk calls is reviewed at regular intervals by a senior officer and his analysis forms the basis on which monthly reports are furnished on expenditure trends under this particular item of Departmental expenditure. These reports are included in a total review of the financial position of the Department at the conclusion of each month. Within the Central Office the Accountant undertakes a complete review of the expenditure, both of the Central Office and the Regional Offices and brings to the attention of the Controller Establishments and Finance, any trends that are unsatisfactory.

Exhibit  
121 /14  
and Q.1008

177. It was stated that a third measure of control is exercised through the issue of staff instructions which form the basis on which responsibility for control is vested with staff supervisors.

Exhibit  
121/14

178. At the time of the introduction of Subscriber Trunk Dialling



to the Department's Melbourne Exchange, the following staff instruction dated 7 October 1965 was circulated to Branch and Section Heads at Central Office and to each Regional Controller.

"You are no doubt aware that subscriber trunk dialling has been a regular feature of telephone communication between Canberra/Sydney and Sydney/Melbourne for quite some time."

"Advice has been received from the Postmaster General's Department that subscriber trunk dialling is to commence in Melbourne on our particular telephone exchange (prefix 62) as from next Sunday 10 October 1965.

From an official viewpoint it will provide immediate dialling facilities to Geelong, Canberra and Sydney, as well as numerous country areas."

"It is therefore appropriate to seek your co-operation in the exercise of some control over the use of this facility particularly by the members of your staff. Experience gained by other Departments has demonstrated quite clearly that the introduction of such a simple and effective communication system has had the effect of significantly increasing the cost of telephone services.

For this reason we must prohibit general staff members from utilising the subscriber trunk dialling facility and insist that the practice continue whereby the need to make trunk calls is firstly authorised by you and, secondly, that such calls are booked by the telephonist on request by the officer concerned."

"In emergency situations it is expected that general staff members could have a legitimate need to make a trunk call by the subscriber trunk dialling (S.T.D.) facility. On such occasions it is expected that they would obtain your prior approval.

For charging purposes, the Telephonist will continue to maintain a record of trunk calls booked by herself.

Your co-operation in this matter and the assistance of your staff would be greatly appreciated, particularly in the light of the difficult financial year which is ahead of us."

179. We were informed that no record could be found of any instruction to staff on the use of telephones in the Department prior to that issued on 7 October 1965.

Q.1021

180. In a general departmental staff circular issued on

17 August, 1967 a further reference was made on the use of telephones when all officers and employees were again advised that all outgoing trunk calls must be booked through the telephonist.

Exhibit  
121 /14

181. Sections of the staff instruction of 1965 were again circulated to Branch and Section Heads on 10 November, 1967, to remind them of their responsibilities in relation to trunk calls and the use of S.T.D. facilities. A section of that instruction indicated that a recent review of the costs of telephone facilities had suggested that, in relation to ordinary trunk calls charged for under the specific call system there appeared to be a disproportionate increase in those facilities which include the use of S.T.D. When questioned on the nature of this review, the witness stated that no specific review had been undertaken but that the review referred to was the general monthly examination of expenditure trends. The purpose of the instruction was to point out to staff the upward trend in telephone expenditure which became an area of concern at that time.

Exhibit  
121 /14  
and Qs. 1024 and  
1025.

182. With regard to the ninety-four officers whose private telephones are regarded as official telephones i.e. those Officers who are on call for official purposes outside normal hours, the Department issued the following staff instructions on 17 May, 1967:-

"With the gradual extension of the Subscriber Trunk Dialling Facility(S.T.D.) to telephone subscribers generally, it is desirable that officers with approved official telephones at private residences should be acquainted with the provisions of Treasury Direction 23/7 particularly in relation to the use of the S.T.D. facility.

Exhibit  
121 /14  
Q.1027 and  
Committee File  
1969/3

Officers will be aware that the Department meets the costs of 20 per cent of local calls made. As S.T.D. calls are charged as metered calls, the charges for these are included as local calls on the telephone accounts.

Treasury Direction 23/7(b) deals with official trunk line calls and states:

"The Commonwealth will meet the cost of all official calls recorded as trunk line charges on the officer's telephone account. All such calls shall be placed through the manual switchboard and a record of them shall be presented to the Department by the officer for retention with the account."

Treasury Direction 23/7(c) provides inter alia that :

"the 20 per cent portion of the charge for local calls normally applicable shall be determined after deduction of the charges for private S.T.D. calls shown on a statement of such charges submitted by the officer. The Commonwealth will bear no portion of the charges for these private trunk calls."

"It will therefore be appreciated that all trunk calls should be booked manually so that they will be separately identified on the statement of trunk line charges.

Responsibility will be left with each officer to provide details of private calls made using the S.T.D. system."

183. We were informed that early in 1969 the cost of the Department's services had increased at a fairly steady rate and it was again felt that, having regard to the period of time since the previous instruction to staff was issued, the staff and supervisors in particular should be reminded that costs were continuing to increase. Accordingly, on 6 March 1969 a further staff circular was issued in the following terms in relation to trunk line telephone calls:

Q.1043

"On earlier occasions it has been found necessary to draw attention to limitations which must be imposed on the use of trunk line telephone calls and the subscriber trunk dialling facility. However, our account for telephone charges continues to increase and it is again necessary to ask your co-operation in reducing to an efficient minimum the use of trunk calls.

The means by which control over these facilities is to be exercised are re-iterated as follows:

- The need to make trunk calls must first be approved by the Section Leader.
- Trunk calls should be booked through the telephonist on the request of the officer concerned.
- General staff members are prohibited from using the subscriber trunk dialling facility other than in emergency circumstances.

- S.T.D. calls may be made only in cases of emergency and with the prior approval of the Section Leader.
- Telephone conversations must be kept as brief as possible and the courtesies kept to the absolute minimum.
- Transfer of calls between extensions should be avoided as far as possible.
- The caller should not be asked to 'hold on'. If information is not readily available a further call or preferably a subsequent letter or telex should be used.
- For charging purposes, the telephonist will continue to maintain a record of trunk calls booked.

It would be appreciated if you would remind your staff of instructions in this matter and continue to exercise strict control in the use of trunk telephone facilities.'

184. We were informed that when the Central Office of the Department moved to new premises in Melbourne the installation of a new telephone system was required. In these circumstances a careful review was made by an Officer of the Finance and Establishments Branch of the need for and relative costs of applying barring facilities i.e. facilities which prevent the operators of telephone handsets from gaining access to exchange lines. During the course of this review the question of applying barring facilities was discussed with officers of the Postmaster General's Department. Having regard to the nature of the activities conducted by the Department of Shipping and Transport, the relatively high cost of barring facilities in terms of capital cost and rental and the desire on the part of the Postmaster General's Department to encourage the use of S.T.D. facilities, the Department decided not to proceed

Exhibit  
121 /14  
and Qs. 1002 to  
1005, 1046 and  
1047

with the installation of such equipment. The witness added, however, that if a dramatic increase were to occur in telephone costs in particular areas, the Department would re-consider the question of installing barring facilities.

Chapter 8  
Establishment and Staff

Central Office

185. Details of the establishment and staff of the Central Office of the Department of Shipping and Transport as at 30 June 1962, 1963 and 1964 are given in Table No. 2. Details of the establishment and staff of that Office as at 30 June 1965 to 1969 inclusive, given in Table No. 3, relate to the organisation of the Department subsequent to the introduction of changes approved by the Public Service Board in April, 1965. The establishment and staff of the Central Office as at 30 June 1970 are shown in Table No 4 .

Table No.2  
Department of Shipping and Transport  
Establishment and Staff: Central Office

(As at 30 June)

Section	1962		1963		1964	
	E	S	E	S	E	S
Ministerial	5	5	5	5	4	4
Executive	4	4	4	4	4	4
Sea Transport Division	14	14	17	15	22	21
Land Transport Division	12	12	15	12	15	14
Rail Standardisation Division	4	4	4	4	5	5
Transport Development Branch	9	9	14	12	17	16
Marine Services Division	32	32	38	34	41	41
Administrative Branch	52	52	55	51	56	51
Shipbuilding Division	84	74	85	81	86	83
Total Central Office	216	206	237	218	250	239

Source: Department of Shipping and Transport .

Table No. 3  
Department of Shipping and Transport  
Establishment and Staff: Central Office  
 ( As at 30 June )

Section	1965		1966		1967		1968		1969	
	E	S	E	S	E	S	E	S	E	S
Ministerial	4	4	4	4	4	4	4	4	4	4
Executive	4	4	4	4	4	4	4	4	4	4
Sea Transport Section	32	30	33	30	21	21	21	21	30	27
Land Transport Section	15	16	20	20	27	22	28	27	28	26
Rail Standardisation Section	8	7	8	7	8	7	8	7	8	7
Transport Development Section	20	20	21	20	27	24	27	26	27	26
Marine Services Branch	41	41	57	51	60	57	64	59	68	64
Establishments and Finance Branch	56	56	73	62	77	70	83	79	85	77
Special Projects Section	-	-	-	-	-	-	2	3	2	2
Shipbuilding Division	100	83	104	86	109	82	112	94	126	106
<b>Total Central Office</b>	<b>280</b>	<b>261</b>	<b>324</b>	<b>284</b>	<b>337</b>	<b>291</b>	<b>353</b>	<b>324</b>	<b>382</b>	<b>343</b>

Source: Department of Shipping and Transport.

. Sea Transport

186. We were informed that the increase of three positions on the establishment of the Sea Transport Division in 1962-63 followed the opening of the explosives area and jetty at Point Wilson, Victoria in December 1961. Of the five positions added to the establishment in 1963-64, three were required as a result of experience in the operation of the new explosives area and two were needed to establish the nucleus of a Sea Transport Service to deal with defence requirements for the charter and usage of merchant ships.

Qs. 475 to 477  
and Committee  
File 1969/3

187. A re-organisation of the Sea Transport Section during 1964-65 resulted in ten positions being added to the establishment to provide for increased shipbuilding activity; an increased volume of work arising from the coastal trade provision of the Navigation Act, mainly in the use of Australian licensed ships for the carriage of oil; the provision of

technical assistance to deal with the development of Australian codes for the handling and carriage of dangerous goods and the policing of practices related to the transport of Commonwealth explosives.

188. The reduction of twelve positions on the establishment of the Sea Transport Section in 1966-67 accompanied the transfer of administrative control of the Point Wilson Explosives Area from the Central Office to the Victorian Regional Office. Qs. 475 to 477  
and Committee  
File 1969/3

189. During the five years subsequent to the review conducted in 1964 into the Sea Transport Section, major developments in shipping resulted in a broadening of the functions of that Section. Developments were said to have been exemplified by activities in off-shore exploration, expansion of coastal tanker and bulk cargo fleets, increased shipbuilding activity and the provision of new ports for export and coastal shipment of bulk materials, and trends towards container shipping and unit load packaging of cargoes. An increase in Australian flag ship participation in overseas trading also occurred.

190. A re-organisation of the Sea Transport Section in 1969 resulted in an additional nine positions on the establishment, eight being clerical positions and one of Chemist, the latter being involved with technical work in relation to specifications for the transport of dangerous goods. Qs. 475 to 477  
and Committee  
File 1969/3

#### . Land Transport

191. It was stated that the establishment of the Land Transport Division was increased by three positions in 1962-63 to strengthen the clerical and executive staff dealing with the servicing of Committees associated with the Australian Transport Advisory Council and the administration of Commonwealth Aid Roads legislation. During a re-organisation and centralisation of clerical staff in 1965-66, three positions were added to the Transport Advisory Council and its associated Committees while two were added for the development, research and publicity work undertaken on behalf of the Australian Road Safety Council.

192. A further seven positions were added to the establishment of the Land Transport Section in 1966-67 following a total review of the Section and the subsequent introduction of Policy and Technical Services Qs. 475 to 477  
and Committee  
File 1969/3



Sub-sections. The new Policy Sub-section enabled increased attention to be given to legislative and other policy aspects of land transport. The Technical Services Sub-section provided for technical assistance to be given to road and rail matters and also for technical matters arising from the deliberations of the Australian Transport Advisory Council and its Committees.

. Rail Standardisation

193. An increase of four positions occurred on the establishment of the Rail Standardisation Division in 1963-64 and 1964-65 to deal with the volume of work and complex issues that arose in connection with the Western Australian Rail Standardisation project and to handle projects under consideration in South Australia.

Qs.475 to 477  
and Committee  
File 1969/3

. Transport Development

194. The establishment of the Transport Development Section was increased by eighteen positions between 1962-63 and 1966-67. It was stated that during that time an increasing demand occurred for the provision of economic research and transport statistical services which, at rather regular intervals, required additional research officer positions. Three of the graduate Clerk positions created in 1966-67 were designed to provide recruitment within the Section for economics and commerce graduates intending to pursue a career in economic research related to surface transportation.

Qs.475 to 477  
and Committee  
File 1969/3

. Marine Services

195. Following the submission of a report by a joint Public Service Board/Departmental Review Team relating to the organisation and functions of the Marine Services Branch, comprehensive changes involving an increase of nine positions were made to the Branch establishment in 1962-63 and 1963-64. The increased establishment resulted in a strengthening of the senior clerical organisation to provide for attention to be given at senior levels to policy and legislative work. New units introduced to the Division were Mercantile Marine, Examinations, Nautical Advising and Naval Architecture.

Qs.475 to 477  
and Committee  
File 1969/3

196. Sixteen positions were added to the establishment of the Marine Services Branch in 1965-66. These included two positions of Marine Surveyor, the provision of additional clerical assistance to professional staff in the Branch, additional clerical staff for the new Seamen's Stabilisation System and an additional four positions on the Branch typing establishment.

197. During 1966-67 a further three positions were added to the Marine Services Branch establishment. These comprised an additional position of Engineer (Naval Architect) to assist with the large volume of work arising from the examination of plans of ships for the satisfaction of safety requirements. In addition, the introduction of furlough provisions for Australian Seamen required two additional positions in the Mercantile Marine Sub-section. Four positions of Technical Officer were added to the establishment of the Branch in 1967-68 for sub-professional duties in the Lighthouse Services Section to allow Engineers to concentrate on more important professional duties.

Qs.475 to 477  
and Committee  
File 1969/3

198. An additional four positions were added to the establishment of the Marine Services Branch in 1968-69. These arose from a review of drafting grades in the Commonwealth Public Service and the introduction of a new structure for draftsmen. As a result a new position of Trainee Draftsman was created in the Lighthouse Services Section of the Branch. It was said that significantly increased responsibilities relating to ships surveys and inspections resulted in the need to review staffing establishments and two positions of Surveyor(Marine) were provided in the Surveys Section of the Branch. One new clerical position was also provided to cope with difficulties in dealing with legislative review work in the Branch.

Committee  
File 1969/3

. Establishments and Finance

199. During 1962-63 and 1963-64 a new position of Inspector (Personnel) was created in the Establishments and Finance Branch to co-ordinate staff, industrial and establishment work in Central Office and three positions of Typist were also provided.

Qs.475 to 477  
and Committee  
File 1969/3

200. Seventeen positions were added to the Establishments and Finance Branch in 1965-66 following a review of the Branch. Of these, three positions resulted from the introduction of a new Supply Section

Qs.475 to 477  
and Committee  
File 1969/3

to implement the recommendations contained in the report of the Joint Public Service Board - Departmental Review Team for the implementation of rationalised and standardised stores procedures. One position was created by the introduction of a Departmental Training Office while three positions were created to strengthen the staff engaged on budgeting and financial control. Three of the positions were also created to strengthen the staff engaged on methods and establishment reviews. The introduction of staff for the provision of short term relief throughout the Central Office accounted for seven of the newly created positions.

201. During 1966-67 three positions of attendant were created to provide a tea-to-desk service in the Central Office. An additional Steno-secretary position was also created in 1966-67 in the office of the Assistant Crown Solicitor, located in the Department of Shipping and Transport. Six additional positions were created in the Branch in 1967-68. Three of these were located in the Supply Section to implement changed supply procedures for provisioning and stores control and the remainder were located in the typing pool. Following a review of Internal Audit positions in Commonwealth departments, it was agreed in 1968-69 that two additional clerical positions should be provided in the Establishments and Finance Branch.

Qs.475 to  
477 and  
Committee File  
1969/3

Committee File  
1969/3

. Shipbuilding Division

202. During 1964-65 an increase of fourteen positions occurred on the establishment of the Shipbuilding Division. Prior to this time the staffing of that Division had been provided on a "temporary" basis. Following a review of the organisation and establishment of the Division, however, a permanent organisation was provided. At the same time the opportunity was taken to introduce appropriate professional and sub-professional grade positions where applicable and to ensure the adequacy of the establishment.

Qs.475 to 477  
and Committee  
File 1969/3

203. An increased volume of shipbuilding activity during 1965-66 necessitated an additional position of Clerk to deal with building and sale contracts and an increase of three positions in the Division's shipyards inspection staff. Five additional positions were added to the clerical and typing establishment during 1966-67 to cope with the maintenance of accounting records, processing of tenders and specifications

Qs.475 to 477  
and Committee  
File 1969/3

for vessels to be constructed and the general increase in activity flowing from an increase in shipbuilding. During 1967-68 a further position was added to the staff of the Sydney Office of the Shipbuilding Division. At the same time, the development of small shipyards in South Australia and Queensland required the provision of two additional positions on the establishment for permanent inspection duties at these centres.

204. Increased activity in the shipbuilding industry in the Commonwealth prompted a review of the organisation of the Shipbuilding Division of Central Office which resulted in the addition of five trainee draftsmen and two technical officer positions on the establishment of the Division in 1968-69.

Committee  
File 1969/3

. Special Projects Section

205. Before the establishment of this Section in 1967-68 its duties were carried out in the Transport Development Section, Sea Transport Section or Land Transport Section. Prior to June 1969 the functions of the Section were primarily concerned with projects which did not fit readily into any of the other sections. We noted that while the establishment provided for two positions, three officers appeared to be employed in the Section. It was explained that the permanent occupant of the position of Controller, while appearing as a member of the staff of the Special Projects Section was on loan to the Commonwealth Bureau of Roads.

Q.480

. Central Office Re-organisation

206. The changes that occurred in the structure of the Department in June 1969 and which were referred to in Chapter 3 are shown in Appendix 4 of this Report. Details of the establishment and staff as at 30 June 1970, are given in Table No 4 .

Table No 4  
Department of Shipping and Transport  
Establishment and Staff: Central Office  
(As at 30 June 1970)

Section	Establishment		Staff	
		(Total)		(Total)
Ministerial		5		5
Executive		4		3
Bureau of Transport Economics		1		-
Transport Policy Division		97		82
First Assistant Secretary	2		2	
Land Transport Branch	33		30	
Sea Transport Branch	24		23	
Special Projects and Research Branch	36		27	
Legislation & Liaison Branch	2		-	
Operations Division		91		84
First Assistant Secretary	2		2	
Operations Safety & Services Branch	63		61	
Navigational Aids Branch	16		14	
Ships Structures Safety Branch	3		2	
Vehicle Structures Safety Branch	7		5	
Establishments and Finance Branch		93		95
Public Relations Section		6		6
Shipbuilding Division		126		106
Total:	..	423	..	381

Source: Department of Shipping and Transport.

207. A net increase of forty-one positions occurred following the re-organisation of the Central Office in 1969-70, at senior levels involved a net increase of five positions and the establishment of a policy group in the Central Office. Introduction of the Canberra based group of forty-eight positions was offset partly by the abolition of twenty-four positions located in the Central Office organisation.

Committee  
File 1969/3

208. Other changes, in addition to those within the Central Office,

Committee  
File 1969/3

included the creation of a position of Assistant Private Secretary on the Minister's staff. Following Cabinet approval to the creation of a Bureau of Transport Economics, a position of Director was created. Two positions, one of Assistant Secretary and one of Steno-secretary were created in a new Legislation and Liaison Branch in the Transport Policy Division to cope with the revision and amendment of legislation and the drafting of new legislation.

209. The Operations Safety and Services Branch consists of fifty positions transferred from the Marine Services Branch and eleven transferred from the Sea Transport Section. An additional position was provided to handle increased clerical work following the introduction of the Seamen's (Long Service Leave) Award. The volume of legislative review work led to the provision of a second clerical position.

Committee File  
1969/3

210. The Navigational Aids Branch comprises sixteen positions transferred from the Marine Services Branch. The Ships Structures Safety Branch of three positions consists of one new position of Engineer Class 5 and two positions transferred from the Marine Services Branch. The Vehicles Structures Safety Branch consisting of seven positions includes six new positions. Following Cabinet approval for the assumption by the Commonwealth, in the Department of Shipping and Transport, for responsibility for the arrangement for testing of safety features of motor vehicle components, for compliance with Design Rules enacted in State and Territory legislation, a position of Engineer Class 5, supported by a group comprising three professional engineers, two clerical and one sub-professional position was provided. This allowed the Department to establish proper facilities for the issue of compliance certificates to manufacturers.

Committee File  
1969/3

211. An increase of eight positions occurred in the Establishments and Finance Branch in 1969-70. Seven of these were designed to provide a general office service to the Canberra based group and one position of Registrar for work associated with the management of departmental records. In the same year six positions were transferred from the Land Transport Section to the new Public Relations Section.

Committee  
File  
1969/3

Regional Offices

212. Details of the Establishment and Staff of the Regional Offices of the Department between June 1962 and June 1968 are given in Table No. 5

Table No. 5  
Department of Shipping and Transport  
Establishments and Staff: Regional Offices: 1962-1970  
(As at 30 June)

Office	1962		1963		1964		1965		1966		1967		1968		1969		1970	
	E	S	E	S	E	S	E	S	E	S	E	S	E	S	E	S	E	S
New South Wales	102	88	101	89	90	84	97	96	97	118	117	99	100	99	108	98	110	103
Victoria	120	115	120	115	121	115	121	116	118	144	144	141	151	153	153	153	161	163
Queensland	146	141	146	136	144	135	146	137	142	139	138	147	139	141	143	149	158	154
West, Australia	84	86	83	86	84	92	88	96	91	90	93	93	94	98	99	103	104	101
South Australia	46	45	46	46	46	46	51	49	49	52	49	52	49	51	56	61	60	64
Tasmania	30	26	28	27	28	27	27	30	28	32	28	28	29	31	30	34	32	34
Total	528	501	524	499	513	499	530	524	525	520	548	563	562	573	589	598	525	619

Source: Department of Shipping and Transport

213. Seven new positions were added to the establishment of the Mercantile Marine Office in 1964-65. These arose in part from the introduction of the Seamen's Stabilisation System late in 1964 which required the strengthening of this office in all States, and in part from the Joint Public Service Board/Departmental review of Mercantile Marine Offices conducted in that year.

Q.483 and  
Committee File  
1969/3

214. Progressive reviews made of the administrative staff in all Regional Offices, followed the Joint Public Service Board/Departmental review of the organisation and functions of the Marine Branch, which were completed in 1964. Between 30 June 1964 and 30 June 1969 fifteen positions had been added to the Regional Office establishments to cope with a steady growth in workload.

215. Eleven positions were added to the establishment of the Regional Offices Survey Sections between 1965-66 and 1967-68. These arose from a survey of workloads and establishments made in the Survey Sections in each Region and partly from increased workload arising from the survey of oil search vessels and from a general increase in shipping activities.

Q.483 and  
Committee File  
1969/3

216. Nineteen artisan positions have been added to the Regional Office establishments to provide for maintenance for the progressive installation of new aids to marine navigation. Eleven positions were abolished following the progressive electrification and installation of alarm devices at manned lightstations which removed the need for continuous shift work and reduced the number of staff required from three to two on each light modified in this way.

217. As shown in Table No 5 an increase of twenty-seven positions occurred in the Regional Office establishments in 1968-69. Of these, eight were provided in New South Wales, two in Victoria, four in Queensland, seven in South Australia, five in Western Australia and one in Tasmania. Fourteen of these positions related to the introduction of revised supply procedures and two related to internal audit work. Of the remainder, four were provided in New South Wales to cope with additional workload.

Q.483 &  
Committee  
File 1969/3

218. An increase of thirty-six positions occurred in the Regional Offices establishment in 196-70. Of these, three positions of Mechanic were provided in New South Wales to perform urgent work

Committee  
File 1969/3



associated with the improvement of aids to marine navigation and one position of Lightkeeper was abolished on the conversion of the light at Montague Island from kerosene to electrical operation. In the same year there was an increase of eight positions on the staff establishment of the Victorian Regional Office, one being a stores position following the review of these positions in the Commonwealth Public Service, six positions of Mechanic (Maritime Aids) were added for the maintenance and installation programme on aids to marine navigation and a position of Technical Officer was provided to relieve the Lighthouse Engineer of involvement in sub-professional activities.

219. Fifteen positions were added to the establishment in the Queensland Regional Office in 1969-70. Of these, the review of stores positions in the Commonwealth Public Services resulted in one additional position while five positions were added following a review of the establishment of Mechanics for the maintenance and installation of aids to navigation. The Department has two service lighthouse vessels operating in Northern waters formerly staffed by exempt officers. A continuing need for the vessels involved the creation, in 1969-70, of nine additional permanent positions.

Committee  
File  
1969/3

220. An increase of five positions occurred in the Western Australian Regional Office in 1969-70. Two of these followed a review of stores positions in the Commonwealth Public Service. A review of the establishment of mechanics engaged in the installation and maintenance of aids to navigation resulted in an additional two positions and an additional clerical position was located at Darwin. In the same year four positions were added to the staff of the South Australian Regional Office, one being a position of Surveyor to provide for survey work previously performed by the State Government for the Commonwealth. The other positions related to stores, clerical and typing duties. Two positions were added to the establishment of the Tasmanian Regional Office in 1969-70, one relating to stores and the other being a mechanic to undertake work in the installation and maintenance of aids to navigation.

Committee  
File  
1969/3

Chapter 9

Recruitment and Training

Recruitment

221. We were informed that the Department has a need for staff holding particular types of qualifications such as Economics and Commerce degrees; Naval Architects; Mechanical, electrical and marine engineers; draftsmen; nautical and marine engineering officers; professional engineers; lightkeepers; and lightstation mechanics. Exhibit  
121 /4

. Economics and Commerce Graduates.

222. It was said that a significant research organisation exists in the Transport Development Section of the Department's Central Office where economic research is conducted in respect of all forms of surface transport. A statistical and information service is also provided for the Department and other interested organisations. Exhibit  
121 /4

223. We were informed that Economics and Commerce graduates are recruited through a centralised graduate clerk recruitment and training scheme conducted by the Public Service Board. A short formal induction course given by the Department of Shipping and Transport is spread over several half day sessions during which detailed activities of the Department are explained to new staff members. Graduates are subsequently given duties in transport research work or in administrative areas of the Department. During the first years of employment with the Department, regular short instructional sessions conducted by the Public Service Board are available to staff members. This instruction is in the form of seminars at which particular facets of the activities of departments are discussed by a group of graduates drawn from a number of departments. Exhibit  
121 /4  
and Q.493

224. In commenting on the graduate clerk recruitment and training scheme conducted by the Public Service Board, Mr. Vanthoff, the Public Service Board Observer, indicated that this scheme is an extension of the Board's common function as the recruitment authority for the Commonwealth Public Service and is also a means whereby the particular abilities of new recruits can be matched to the needs of a particular Q.494

Department. He added that the scheme ensures a reasonable spread of the recruits available throughout the Commonwealth Public Service.

. Naval Architects; Mechanical, Electrical and Marine Engineers, Draftsmen

225. It was stated that because of the relatively small number of people employed in the Shipbuilding Industry in Australia, considerable difficulty has been experienced for some years in recruitment within Australia, to specialist positions in the Shipbuilding Division. Specialist staff in that Division is generally recruited from outside the Public Service in the form of professionally qualified engineers with experience and training allied to ship design in the skills of naval architecture, electrical, mechanical, and marine engineering. Drafting staff are usually recruited from outside the Public Service to undertake detailed design and drafting work in the hull, electrical and mechanical sections. Exhibit 121 /4 and Q.453

226. We were informed that the work of the Department has been affected adversely in some fields as a result of recruitment difficulties. Some years ago the preparation of contracts was delayed because of staff inadequacies. Inadequacies have also existed in the drafting staff and great difficulty has been encountered in the recruitment of a Research Officer to the Design Section. Qs. 315 and 496

. Nautical and Marine Engineering Officers Employed on Survey and Inspection Duties

227. Recruitment to positions of Surveyor (Marine) in the Survey Sections is generally made following public advertisement. The minimum qualifications required are either the Masters (foreign going) Certificate or the First Class Certificate of Competency as a Marine Engineer. The preferred qualifications, however, are an Extra Masters Certificate of Competency or an Extra First Class Certificate of Competency as a Marine Engineer. It was claimed that these higher qualifications provide the Department with Surveyors whose training and experience is such that they can be employed on the full range of survey and examination duties. Exhibit 121/4

228. It was stated that for many years the Department has experienced difficulty in the recruitment of Extra Qualified Masters and Engineers from within Australia. While it was said that this has not had any serious effect on the survey and inspection work of the Department there had been occasions when it has been necessary for certain policing functions to be set aside. Some years ago, because of staff shortages, the standard of entry was lowered by regarding the ordinary masters(foreign going)certificate, or the first class certificate of competency as a marine engineer as acceptable in order to fill vacant positions and to continue the services of the Department. More recently the supply of applicants with higher qualifications has improved and the additional qualifications are now preferred. It was said there had been no lowering of the standard of work performed by men holding masters(foreign going) certificates, but there was a limit to the variety of work which staff, with such qualifications could be given.

Exhibit  
121 /4  
Qs. 530, 531 and  
538

229. It has been the practice for some years for the Department, with the approval of the Public Service Board, to recruit Engineers and Extra Qualified Masters from Britain. While there has not been a great deal of difficulty in recruiting persons with the Extra Master's Certificate, it was said that suitable persons with the Extra First Class Engineer's Certificate have not been available in the numbers required and recruitment was being continued in Britain with the object of attracting more Extra Qualified Marine Engineers.

Exhibit 121 /4

230. Witnesses were questioned regarding the possibility that preferment given to men with the Extra Certificate was strongly prejudicial to the recruitment of Australian citizens. We were informed that this was not wholly so, but that it is more difficult for an Australian Master Mariner to obtain this qualification locally. The two most recent recruits to these positions prior to our inquiry were Australians with overseas qualifications. It was said that there was no bar to employment in the Department of Shipping and Transport for men without the Extra qualifications, but that this

Qs. 535 to  
539

is a preferred qualifications carrying additional remuneration.

. Professional Engineers in the Transport Branch

231. We were informed that the Transport Branch officers with appropriate professional engineering qualifications are engaged on policy work connected with the technical aspects of motor vehicle safety; the study of policy matters where technical qualifications are of value; the development of legislation; the oversight of the technical aspects of Commonwealth expenditure on road development, and the technical aspects of proposed and current railway standardisation projects. It was said that this work requires the services of persons holding a basic professional tertiary qualification. Accordingly, it is the practice for recruitment to take place above the base grade level and vacancies as they arise are advertised as being open to people within and without the Commonwealth Public Service.

Exhibit  
121 / 4

. Professional Engineers in Lighthouse Services

232. Engineers in the Lighthouse Services Section are engaged on planning and development work in the Central Office, or on the detailed day to day operation and management of navigational aids at the Regional Office level. They are continuously engaged in the resolution of practical engineering problems requiring both tertiary educational backgrounds and comprehensive engineering experience. This is preferred in several specialised fields as there is no separate and distinct qualification of lighthouse engineering.

Exhibit  
121 / 4

233. Because of the variety of work experienced in this field and the inability to recruit persons from outside the Commonwealth Public Service with the desirable level and depth of experience, the trainee engineer scheme, already in operation in the Commonwealth Public Service, was introduced into the Department in February 1963 in order to provide a supply of trained engineers. Under this scheme a trainee generally commences duty with the Department when about

Exhibit  
121 / 4  
and Q. 548

one half of his four year course has been completed. As the course is undertaken on a full time basis, the Department has the use of the trainee's services only during the Christmas vacation. Having completed his training, the trained engineer in the Lighthouse Services Section is introduced to professional engineering work and acquisition of further knowledge is on an "on-the-job" basis.

234. It was said that by recruiting trainees who have only two years academic training to complete, the department has maintained a regular intake of trained professional personnel.

Exhibit 121 /4  
and Q.550

. Draftsmen in the Lighthouse Services Section

235. It was stated that the Public Service Board has recently extended its Trainee scheme to include Trainee Draftsmen. Mr. Vanthoff, the Public Service Board Observer, said that part of the scheme represented an attempt to arrange the drafting structure in a manner which would attract staff with tertiary qualifications and provide them with a clearly defined promotional pattern, taking into account particular qualifications at certain levels. The distribution to Departments of the new positions of Trainee Draftsman was made in 1968.

Exhibit 121 /4  
and Q.552

236. We were informed that a position of Trainee draftsman had been created in the Lighthouse Services Section of the Department. It was claimed that the creation of this position would ensure continuity of staffing in the drafting positions of the Lighthouse Services Section of the Department of Shipping and Transport. The occupant of the position would undertake a Technical College course to certificate level in an appropriate skill and this formal training would be supplemented by "on-the-job" instruction in the detailed design of marine navigation aids such as optical arrangement for light and the structural importance of design.

Exhibit 121 /4  
and Q.553.

. Crews of Lighthouse Service Vessels

237. Crews of lighthouse service vessels are recruited directly by the Department. It was said that because of the nature

of lighthouse service employment, there is a comparatively high staff turnover, particularly of seamen and engine-room ratings. This situation was said to be common to the industry and not peculiar to the Department of Shipping and Transport.

238. The Department has three 'Cape' class lighthouse service vessels operating from mainland ports, with complements totalling 112 persons. The staff turnover of these three vessels as compared with that of four selected coastal industrial vessels each of the years 1967 and 1968 is set out in Table No. 6

Exhibit 121 /4  
555 and  
Committee File  
1969/3

Table No.6

Department of Shipping and Transport

Staff Turnover in Selected Lighthouse Service and Coastal Industry Vessels.

(1967 and 1968)

Ship	Complement	Staff Turnover measured by number of crew engaged during the year	
		1967	1968
<u>Lighthouse Service Vessels</u>			
Cape Don	37	34	17
Cape Moreton	38	17	14
Cape Pillar	37	11	26
<u>Coastal Industrial Vessels*</u>			
Musgrave Range	38	175	158
Balarr	38	118	121
Bilkurra	37	120	170
B.P. Endeavour	40	57**	95

\* Four ships engaged in normal coastal trading operations have been selected as being represented as a basis for comparison.

\*\* B.P. Endeavour was first commissioned 13 September, 1967.

Source: Department of Shipping and Transport

239. It was noted that the significant movement of crew members in the vessels engaged in the coastal industry does not necessarily mean that those men involved have left the industry. Changes are generally made from one vessel to another, or reflect replacements due to leave of absence. The rates of pay of crews of lighthouse service vessels were said to be fully competitive with the outside seafaring industry and in addition a loading is granted to compensate for the particular difficulties of lighthouse duties such as cargo handling and lighthouse maintenance work ashore. While the availability of recruits for these vessels presents some problems because of staff turnover, the manning of ships was said to be generally at a satisfactory and effective level. The principal inducements in the Department's recruitment programme for crews for lighthouse service vessels were said to be permanency in the Commonwealth Public Service and the opportunity for training in small boat work. It was said that the work carried out by the crewmen of lighthouse service vessels is without parallel on the Australian coast.

Exhibit 121 /4  
Qs. 554 to 557  
and Committee  
File 1969/3

. Lightkeepers and Mechanics-Lighthouse Service Station

240. We were informed that the ability to undertake general maintenance work, as well as basic skill in boat handling and signalling is required for positions of lightkeeper. It is most important that occupants of these positions have a temperament suited to service in remote and isolated areas. Although the supply of available staff varies from time to time, the Department has generally been able to maintain its lighthouse staff at an acceptable standard. It was stated that there is no ready source for the recruitment of lightkeepers.

Exhibit  
121 /4 and  
Q. 559

. Overseas Recruitment

241. Prior to 1966 a number of qualified persons resident in Britain applied for employment as Surveyor(Marine) and several were appointed to the Department's staff after arrival in Australia. The Department continues to receive at infrequent intervals, enquiries from residents of other countries regarding employment prospects.

Exhibit  
121 /4  
Q. 497 and  
Committee  
File 1969/3



These enquiries sometimes lead to the engagement of qualified staff. On several occasions the Public Service Board has approved special recruitment action being taken in Britain in the main shipbuilding areas of that country.

242. The first occasion on which the Department sought the approval of the Public Service Board to carry out a general recruitment campaign in Britain was in May, 1966 and since that date approval has been given to advertise overseas on seven occasions. As a result of the advertisements, the Department has been successful in the appointment of ten persons from Britain.

Q.497 and  
Committee  
File 1969/3

243. In July, 1966 vacancies of Drafting Officer, Grade 1 and Grade 2, in the Hull Design and Mechanical and Electrical Design Sections of the Shipbuilding Division were included in a recruitment campaign in Britain for drafting staff conducted for the Department of Supply and for the Department of Shipping and Transport by the Public Service Board. As a result of this campaign, two appointments were made to positions of Drafting Officer, Grade 2.

Q.497 and  
Committee File  
1969/3

244. In November, 1967, following difficulties encountered in the filling of a position of Engineer, Class 3 in the Research Section of the Shipbuilding Division from suitably qualified persons resident in Australia, approval was given by the Public Service Board for the position to be advertised in Britain. In response to the advertisement twenty-six applications were received. A recommendation for an appointment to this position was made on two occasions from British applicants. However, on each occasion the applicant declined the appointment.

Q.497 and  
Committee File  
1969/3

245. Positions of Engineer, Class 1 in the Electrical Design Section of the Shipbuilding Division were included in the Public Service Board's general recruitment campaign conducted in Britain in

Q.497 and  
Committee File  
1969/3

March 1968 for qualified engineering staff. No applications were received by the Department from this campaign. In June, 1967 and again in November 1967, approval was given for the advertisement in Britain of a vacant position of Engineer, Class 3, in the Marine Services Branch. No suitably qualified person replied to either of these advertisements.

246. In view of the difficulty experienced in the recruitment of persons to positions of Surveyor (Marine) with either the Extra Masters (foreign going) Certificate of Competency, or the Extra First Class Certificate of Competency as a Marine Engineer, from within Australia, the Public Service Board gave approval in June 1966 and again in May, 1968, for the advertising of these positions overseas. As a result of these advertisements, seven persons from Britain have accepted offers of appointment. In each instance the Public Service Board has approved recruitment from overseas only after it had been demonstrated that advertisements within Australia have been ineffective.

Q.497 and  
Committee  
File 1969/3

Training

247. Prior to 1965 training within the Department of Shipping and Transport was undertaken as a part-time responsibility within the Personnel Section of the Department and formal staff training was carried out entirely through facilities offered by the Public Service Board. A limitation of this arrangement was that no individual was responsible for training activities within the Department. While the training facilities of the Public Service Board were used to the fullest possible extent, the Board's approach to training matters was on a "Service-Wide" basis and the Department of Shipping and Transport could not obtain particular courses and instruction designed to meet its specific requirements. As part of a general re-organisation of the Establishments and Finance Branch in 1965, a full time position of Senior Training Officer was established.

Exhibit 121 /4  
Qs.484 and  
485.

248. In 1968 it was found that the involvement of the Training Officer in the preparation of documents and administrative arrangements was such that assistance was required to allow him to develop and conduct courses. A graduate clerk was therefore added to the establishment to assist with less involved courses and with administrative work related to staff training.

Exhibit 121 /4  
and Q.486

249. Having obtained full-time staff for training activities, the Department's main objectives were the development of basic clerical training within its administrative areas, the review of needs for professional and technical training, and the development of training to the extent possible within the limits of the resources available. It was said that considerable progress had been made in achieving these objectives since 1965. The provision of full time training resources has enabled the Department to devote proper attention to its responsibilities in training matters. Specific courses have been developed and maintained on a continuous basis. Details of training courses conducted by the Department and of courses conducted by other authorities and attended by officers of

Exhibit 121 /4  
Qs.487 to 489  
and Committee  
File 1969/3

the Department in the years 1964 to 1969 are given in Appendix No.8

250. Despite the progress made in Departmental training it was said that the stage had been reached where, in order to meet apparent deficiencies, additional facilities and staff were required. The principal deficiency was in the area of induction of new staff. It was said that in particular there is a need to embark on more formalised induction and training of technical staff, particularly for those engaged in the maintenance and servicing of marine aids to navigation. We were informed that there has always been a need for more formalised training in this area because of the nature of the industry. It was said that a qualified tradesman commencing employment with the Department requires training and experience in the use of equipment and facilities which are new to him. Exhibit 121 /4  
Qs.490 and 491

251. In practice entrants to the lighthouse workshops are under the supervision of the workshop foreman. It was said that acquisition of skill and knowledge in the use of lighthouse equipment is dependent on "on-the-job" training. The present aim of the Department is to develop a proper instructional facility in the use of equipment so that responsibility may be assumed by new entrants at a much earlier stage than has been the case previously. Q.491 and 492

• Public Service Board Graduate Training

252. Regarding the training aspects of the Public Service Board graduate recruitment and training scheme, the Public Service Board Observer, Mr.Vanthoff, stated that the training of any new recruit to the Commonwealth Public Service must necessarily be primarily a departmental responsibility involving a close relationship between the new recruits, their supervisor and departmental training officers. He added that the Public Service Board has encouraged regularised induction training since shortly after World War II, when due to a large intake of new recruits into the service, the need emerged for a method of induction training. It was not until Q.494

1966, however, in the graduate field, that the Public Service Board saw the advantages of conducting a centralised induction training scheme for graduates. The courses were commenced in that year in Canberra, Sydney and Melbourne. The course is designed to relieve departments of some of the common aspects of training. Prior to 1966 induction training courses were conducted within departments with the co-operation of the Public Service Board by the loan of training and other officers to conduct specific sessions within the training courses.

. Introduction of Trainee Positions

253. It was stated that notwithstanding the attention given to recruitment in Britain difficulties are experienced in the recruitment of sufficient numbers of professional engineers and competent draftsmen. For this reason and in order to provide staff training within the Department, a new position of Trainee Engineer and five positions of Trainee Draftsman have been added to the establishment of the Shipbuilding Division.

Exhibit  
121 /4

254. Early in 1968 it was decided that in order to supplement the direct recruitment of qualified professional engineering staff, it would be desirable to participate in the trainee engineer scheme operative in other Commonwealth departments. A position of Trainee Engineer in the Shipbuilding Division was created in May, 1969.

Qs. 505, 506 and  
Committee File  
1969/3

255. The creation of positions of Trainee Draftsmen within the Department followed a review conducted by the Public Service Board throughout the Commonwealth Public Service into draftsman grades and the training of draftsmen. The review was completed in September, 1968. In October 1968 the Department recommended the creation of four positions of Trainee Draftsmen in the Shipbuilding Division and these were established in February, 1969.

Qs. 505, 506  
and Committee  
File 1969/3

256. Occupants of the newly created positions will undertake, with the assistance of the Commonwealth, appropriate

Exhibit  
121 /4

Degree, Diploma, or Certificate courses, which will be supplemented by practical "on-the-job" training in ship design techniques, both within the division and at appropriate shipyards. It is expected that the provision of these new positions will contribute to the solution of recruitment problems .

. On-the Job Training

257. We were informed that it has always been recognised that "on-the-job" and orientation training are essential for staff appointed to the department. Qs.505,506 and Committee File 1969/3

258. On entry to the Department, professional officers are provided with a short orientation course covering such matters as the machinery of government, the role and functions of the Department and basic conditions of service. This formal training is supplemented by "on-the-job" development within the appropriate Section. Exhibit 121 /4

259. Technically qualified staff recruited to the Shipbuilding Division require instruction in the needs of the Division as well as such practical experience as the Division is able to arrange for them in the major operating shipyards. The nature of the Shipbuilding Division's activities is such that to the greatest extent possible basic design work is undertaken in the Division's offices. Detailed design work is carried out in the shipyards wherever possible and tuition is given to departmental staff in Shipbuilding yards where this can be arranged. Exhibit 121 /4 Qs.522 and 523

. Nautical and Marine Engineering Officers

260. The facilities available in Australia for formal training, particularly to the level of an "Extra" qualification, are generally regarded as being somewhat inadequate. We were informed that there is no formal method whereby certificates may be obtained in Australia. Training for certificates has been left to the individual. Technical colleges offer part-time courses of three months duration in which a broad education in these particular fields may be obtained by Exhibit 121 /4 and Qs.532 to 534

engineers, masters and mates who wish to obtain a particular qualification. By comparison, a master mariner wishing to obtain an extra certificate in Britain would be required to undertake a full-time course of twelve months duration followed by examinations at a college or special academy. These courses are available to Australians should they desire to take them as an alternative to the short-term courses offered locally.

261. We were informed that the Marine Services Branch of the Department has been engaged in a review of nautical training facilities in Australia for the benefit of the Shipping industry generally. The review was commenced following representations by the Company of Master Mariners and similar organisations who had drawn attention to problems associated with the current state of development of the industry with crews being integrated, specialisation in shipping, and the use of very large tankers. It was thought that the extra master qualification may not be the most suitable requirement for sea-going personnel and that perhaps a degree course might be more appropriate. Exhibit 121/4 and Q.541

262. It was said that the Department has considered whether it would be desirable for a nautical academy to be established in Australia or alternatively whether greater opportunities should be provided in Universities for higher qualifications which would ultimately provide greater opportunities for employment by providing a qualification recognised outside the industry. Qs.541 and 542

• Lightkeepers and Mechanics

263. The need for a course of training for lightstation staff has been recognised by the Department for some time. Late in 1968 steps were taken to develop such a course together with a testing facility to ensure that staff were qualified to the standards of the Department in the handling of small boats under difficult conditions. The decision to undertake this course was prompted by incidents which pointed to the fact that although when appointed Qs.567 and 568

staff had claimed to have certain capacities, subsequent incidents with small boats demonstrated that the claims were not always justified.

264. The programme of formal training developed recently for Head Lightkeepers and Lightkeepers covers the role and functions of the Department, basic conditions of service, and technical sessions, including first aid, meteorology, fire prevention, equipment maintenance and industrial safety. A further course under development in mid-1969 was the training and testing of all lightstation staff and certain categories of technical staff in small craft handling, maintenance and safety. The courses provide on-the-job training and oral instruction given by skilled personnel. It is proposed that certificates will be issued and a record of examination results maintained for appointment purposes.

Exhibit  
121 /4 and  
Qs. 570 to 575

265. Difficulties in the recruitment of Lighthouse Mechanics prompted the development of a training course for apprentices in electrical fitting. Two apprentices completed the course in Queensland in December, 1968. The scheme was commenced in Queensland because of difficulty in the recruitment of qualified electrical fitters in that State. It was claimed that the scheme has proved to be very successful and it was expected that it would be extended into Victoria and Western Australia. However, there is no basis upon which the Department may retain the services of former apprentices who have completed their courses.

Exhibit  
121/4 and  
Q. 577

266. We were informed that with the development and installation of more sophisticated aids to marine navigation there will be a need for the development of training facilities for staff to keep pace with installation and maintenance requirements. It is proposed that a high precision, position fixing, navigation aid, costing some \$1,500,000 will be installed at Port Hedland. This was said to be a major advance for the Department in the use of navigational aids in that it will introduce a highly specialised field of electronics. By May, 1969 an arrangement had been entered into with the Decca Company for the installation of the station

Exhibit  
121 /4 and  
Q. 577



and for its operation by Company personnel until the Department has recruited and trained its own staff. The level of skill required is such that the Department will need technician type training involving the recruitment of young staff with sound technical school background to undertake full-time tuition over a period of four to five years. In mid-1969 the Department was investigating the requirements for the introduction of this type of training.

. General Instructional Training

267. It was stated that the Department uses the facilities provided by the Public Service Board for advanced courses and management seminars for senior executive officers and supervisors, and for specialised administrative subjects such as courses for methods and establishments officers. Exhibit 121/4

268. We were informed that the Public Service Board invites Departments to nominate staff for almost every course of a general character that it is conducting. Although in recent years, the Department has always submitted nominations for such courses, its nominees have not always been accepted because of the limited numbers able to attend courses and the number of departments submitting nominees. Qs.599 to 601

269. In addition to the recruitment and training of specialist staff, other general training activities currently in the departmental programme of training include Clerical Induction, Orientation, Correspondence, and First Aid. Exhibit 121 /4

270. Formal Clerical Induction courses are conducted by the Department in order to instruct newly appointed Third and Fourth Division Officers on the machinery of Government, the roles and functions of the Department and basic conditions of service. The length of Clerical Induction courses vary from two to four days and are not restricted to clerical personnel. The courses include sessions on report writing and financial aspects of the Department's activities. Exhibit 121 /4 and Qs.587 to 596.

We were informed that the latter aspects of the courses is designed to provide an appreciation of the financial aspects of the machinery of Government but not necessarily of the duties the staff concerned may be required to perform.

271. Orientation courses conducted for officers transferred Exhibit 121 /4  
or promoted to the Department consist of sessions covering the role  
and functions of the Department.

272. We were informed that correspondence instruction Exhibit 121 /4  
is provided for technical and administrative staff in the correct Qs.597 and 598  
preparation of reports and correspondence. In mid-1969 only one of  
these courses had been completed but three had been programmed for  
that year. It was said that for sometime there had been a need for  
a course of this kind but until the services of full time training  
staff were available positive action could not be taken in the matter.

273. First Aid classes are provided for staff engaged Exhibit 121 /4  
within the explosives area at Point Wilson, Victoria and sessions on  
first aid are included in all lightkeepers courses.

#### . International Aid Training

274. At the request of the Department of External Affairs, Exhibit 121 /4  
training is provided in the form of lectures by departmental officers  
and visits to departmental establishments for International Fellows  
sponsored by organisations such as the Colombo Plan and South East  
Asia Treaty Organisation. This training covers lectures and where  
appropriate, visits to operational establishments in such fields as  
ports and harbours administration, dock and harbour safety, transportation  
engineering and planning.

275. The ports and harbours administration course given in Exhibit 121 /4  
1966 was attended by seventeen overseas Fellows while thirteen Overseas Q.603 and  
Fellows attended courses given by the Department in 1968. Committee  
File 1969/3

276. In mid-1969 an officer from Malaya was engaged in Q.602

a four month course with the Department to learn the techniques of marine surveying. Another overseas officer was expected for a period of four weeks to study inspection and certification of manufacture of life rafts. Prior to our inquiry a group of twelve Fellows had undertaken a course of training of three months duration one week of which was provided by the Department of Shipping and Transport.

277. It was said that operational difficulties arise in the provision of training because, during training sessions skilled staff must be detached from their normal duties. However, training facilities have never been withheld because of staff shortages within the Department. Qs.604 to 606

. Assistance with Studies

278. Departmental officers are encouraged to participate in the Public Service Board's 'Assistance with Studies Scheme'. In mid-1969 about twenty-five officers of the Department, of whom fourteen were from the Central Office, were studying under the scheme. Courses of study being undertaken were those leading to Arts and Commerce Degrees, Diplomas and Certificate courses in fields such as Public Administration, Transport Administration, Drafting and Engineering. Exhibit 121/4 Q.612

279. The Public Service Board Observer, Mr. Vanthoff, informed us that the 'Assistance with Studies Scheme' was introduced by the Public Service Board in 1966 and replaced a long standing scheme known as the University part-time free subjects scheme. The new scheme has come to be known as the 'fees reimbursement scheme'. It provides that officers who have completed subjects of approved courses offered by universities, colleges of advanced education, technical colleges and other institutions, may have their fees reimbursed. The scheme also provides for the granting of up to five hours leave with pay each week from the commencement of the course to attend lectures and practical work as well as to attend examinations. While departmental convenience is an important test relating to the grant of leave with pay we were informed that an instruction within the Department of Shipping and Transport Qs.610 and 614

provides that those who have been granted the concession should be able to use it to the full. Reimbursement of fees is subject to success at the final examination.

280. Each year the Public Service Board awards a number of University Free Places and Post Graduate Scholarships. These awards are widely publicised throughout the Department. At the time of our inquiry an officer of the Department was undertaking a post graduate study project at the University of Wales to determine future training requirements for officers of the Australian Merchant Marine.

Exhibit  
121/4

Chapter 10

Revenue

281. A summary of the estimated and actual revenue collected by the Department of Shipping and Transport in the three years 1967-68 to 1969-70 is given in Table No. 7 .

Table No.7  
Department of Shipping and Transport  
Summary of Estimated and Actual Revenue  
(1967-68 to 1969-70 )

Year	Amount	
	Estimated	Actual
1967-68	\$ 41,406,000	\$ 39,729,453
1968-69	48,241,000	46,744,282
1969-70	50,733,000	52,926,598

Source: Department of Shipping and Transport.

282. Details of the principal components of revenue during these years are set out below in Table No. 8 to Table No. 14 .  
Shipbuilding Industry Assistance - Recoveries from Sales

Table No.8  
Department of Shipping and Transport  
Shipbuilding Industry Assistance  
Recoveries from Sales  
(1967-68 to 1969-70)

Year	Amount	
	Estimated	Actual
1967-68	\$ 32,825,000	\$ 30,793,025
1968-69	38,000,000	35,962,165
1969-70	37,000,000	39,796,671

Source: Department of Shipping and Transport.

283. We were informed that this revenue represents payments received from prospective ship owners for whom vessels are being constructed. Each amount received represents a stage payment related to the progress made with the vessel. The receipts relate directly to payments made by the Commonwealth but, according to the contract, may be received later. It may therefore occur that because a stage payment is made to the builder at the close of a financial year, actual recovery from the owner may not be received until the commencement of the following financial year.

Exhibit  
121/3  
and Committee  
File 1969/3

284. Receipts under this Revenue Head are directly related to the shipbuilding programme and accordingly must vary as the programme varies. It was stated that revenue estimating is affected by the uncertain nature of the construction projects that are likely to take place during the year, particularly "projected vessels" which are likely to be commenced during the year but which require design completion and Ministerial approval. A further problem arises in estimating the rate of subsidy to be applied as this varies between 24 per cent and 33 $\frac{1}{3}$  per cent of the cost of the ship.

Qs. 853 & 864  
and Committee  
File 1969/3

285. The growth in revenue under this Head was explained partly by an extension of eligibility for subsidy to ships from a minimum gross tonnage of 500 tons to 200 tons. The type of ship eligible for subsidy had also been widened to include dredges, certain barges and similar vessels. There has also been a general increase in the productivity of shipyards.

Q.867

Railway Agreements Revenue

Table No.9  
 Department of Shipping and Transport  
Railway Agreements Revenue  
 (1967-68 to 1969-70)

Item	1967-68		1968-69		1969-70	
	Estimated	Actual	Estimated	Actual	Estimated	Actual
Railway Agreement(NSW & SA).	\$	\$	\$	\$	\$	\$
- Interest	-	-	-	-	32,400	32,400
- Repayments	-	-	-	-	12,000	12,000
Railway Agreement(West.Aust)						
- Interest	1,846,000	1,812,993	2,277,100	2,262,679	2,575,350	2,584,167
- Repayments	204,000	204,492	257,400	273,168	1,280,850	1,280,856
Railway Equipment Agreement (South Aust)						
- Interest	36,000	36,334	35,500	35,544	34,800	34,754
- Repayments	16,000	15,809	15,800	15,809	15,800	15,809
Railway Standardisation Agree- ment(NSW & Vic)						
- Interest	430,000	430,204	420,400	420,408	410,700	410,612
- Repayments	192,000	191,674	191,700	191,674	191,700	191,674
Railway Standardisation(South Aust).						
- Interest	418,000	417,700	514,100	512,929	613,100	613,106
- Repayments	162,000	162,539	197,700	197,337	233,500	233,448
Total	3,304,000	3,271,745	3,909,700	3,909,548	5,400,200	5,408,826

Source: Department of Shipping and Transport

286. In each of the years shown revenue has been received in respect of interest and repayments charged in accordance with Railway Agreements ratified by the Railway Standardisation (New South Wales and Victoria) Agreement Act 1958; Railway Standardisation (South Australia) Agreement Act 1961 and Railway Agreement (Western Australia) Act 1961. Q.827

287. We were informed that under the New South Wales-Victoria and South Australia Agreements the Commonwealth meets the cost of work carried out under the Agreement and the States concerned are required to repay 30 per cent of the cost involved over a period of fifty years by annual instalments, plus interest on the balance outstanding at the commencement of each year. The rate of interest is based on the long-term bond rate applying immediately prior to Q.828

the Commonwealth making payments.

288. It was stated that the Western Australian Agreement differs from the others in that two components of the work are involved. One half of the work is regarded as Standardisation and repayments for this component are made in general on the same basis as the other agreements. The remainder of the work is regarded as developmental and in respect of this component the Commonwealth will provide finance initially for 70 per cent of the cost attributed to development and the State is required to pay this in full over twenty years, plus interest on outstanding balances.

Qs. 828, 832 to 834 and P.P. No. 107 of 1970

289. In relation to the Western Australia Agreement we were informed that interest payable by the State dates from the day on which the State receives each payment from the Commonwealth. The estimate is based on a forecast supplied by the State indicating a month by month drawing from the Commonwealth. Variation to this forecast affects the actual amount of interest received.

Exhibit 121/13 and Committee File 1969/3

290. It was stated that work under the Railway Equipment Agreement (South Australia) and the Railway Standardisation (New South Wales and Victoria) Agreement has been completed. As annual repayments of principal are made under these Agreements the interest receivable also diminishes. In the cases of the Railway Agreement (Western Australia) and the Railway Standardisation (South Australia) Agreement, total expenditure increases as the projects progress and interest receivable from the States concerned also increases.

Exhibit 121/13 and Committee File 1969/3

Lighthouse Revenue

Table No. 10  
Department of Shipping and Transport

Lighthouse Revenue  
(1967-68 to 1969-70)

Year	Amount	
	Estimated	Actual
	\$	\$
1967-68	2,845,000	3,216,609
1968-69	3,880,000	4,316,193
1969-70	4,750,000	5,244,545

Source: Department of Shipping and Transport



291. We were informed that lighthouse revenue comprises light dues paid by all ships which pass a Commonwealth lighthouse during the course of their voyages to or from Australian ports or whilst trading around the Australian coast. Q.749

292. Regulations made under the Lighthouse Act 1911-66 provide for light dues to be paid on a quarterly basis at a prescribed rate per registered net tonnage of the ship. Such dues are paid quarterly by Australian registered ships while in the case of foreign registered vessels, which account for 94 per cent of light due revenue, payments are made only for the quarter in which they visit Australia regardless of the number of visits made during quarterly periods. Qs.749 to 752 & 761

293. We were informed that the estimates of light due revenue are of necessity based on forecasts of tonnages of vessels using the shipping lanes in such a manner as to be liable to payment of dues. The estimate is calculated by taking into account the amounts collected in previous financial years and up to the time of preparation of the estimate in the current year and also any particular known or expected shipping developments of significance and changes in the rate payable. It was claimed that the forecast of tonnage for this purpose cannot be exact. Exhibit 121/3 and Committee File 1969/3

294. The Department informed us that there has been a steady upward movement in the value of light due receipts from year to year. In October 1968 the rate of dues was increased from 15 cents to 18 cents per net registered ton. In addition tonnages on which light dues have been paid have increased from 22,200,000 tons in 1967-68 to 25,100,000 tons in 1968-69 and 28,800,000 tons in 1969-70.

Australian Coastal Shipping Commission Revenue

Table No. 11  
Department of Shipping and Transport  
Australian Coastal Shipping Commission Revenue  
(1967-68 to 1969-70)

Item	1967-68		1968-69		1969-70	
	Estimated	Actual	Estimated	Actual	Estimated	Actual
Dividends	2,151,000	2,151,000	2,151,000	2,151,000	1,792,500	1,075,500
Interest on loans	55,000	55,000	55,000	55,000	1,542,000	985,000
Total	2,206,000	2,206,000	2,206,000	2,206,000	3,334,500	2,060,500

Source: Department of Shipping and Transport

(i) Dividends

295. Section 29 (1) of the Australian Coastal Shipping Commission Act 1956-1969 provides that interest is not payable to the Commonwealth on the capital of the Commission but the Commission shall pay to the Commonwealth out of its profits, such amount as the Minister, with the concurrence of the Treasurer, determines.

296. We were informed that estimated dividends are made on the basis of views obtained from the General Manager of the Commission and the financial directors of the Australian National Line as to the expected trading results for the forthcoming financial year. Following an examination of these forecasts by departmental officers a decision is made regarding the rate of dividend which would accrue from the operations during that financial year.

Q.733 and  
Committee  
File 1969/3

297. Regarding the dividend paid in 1969-70 we were informed that estimated revenue based on tentatively assessed results of trading for 1968-69 was designed to provide a payment of 5 per cent on capital. Final accounts for that year, however, revealed a dividend of only 3 per cent on capital based on actual trading results.

Committee  
File 1969/3

(ii) Interest on Loans

298. Section 30 of the Australian Coastal Shipping Commission Act provides for borrowing by the Commission. Under this Section the Commission obtained on 1 April 1966 a loan of \$1 million to undertake certain capital improvements and to meet capital requirements of the Australian National line. This loan, at an interest rate of 5½ per cent determined under the Act by the Treasurer, was for a term of five years. Interest was payable on this loan in 1967-68 and 1968-69.

Exhibit  
121/3  
and Qs.741 to  
746

299. Further loans totalling \$9 million made in 1968-69 and \$8 million made during the first half of 1969-70 attracted interest in 1969-70 thus increasing revenue in that year.

Committee File  
1969/3

300. Regarding the estimated and actual interest payments on loans in 1969-70 we were informed that it had been intended that a full loan payment of .14 million for 1969-70 would be advanced to the Commission during the supply period. However, only .8 million was advanced during that period with a resultant decrease of the actual amount of interest payable in that year.

Navigation Revenue

Table No.12  
Department of Shipping and Transport  
Navigation Revenue  
(1967-68 to 1969-70)

Year	Amount	
	Estimated	Actual
1967-68	\$ 95,000	\$ 107,283
1968-69	110,000	122,376
1969-70	120,000	142,905

Source: Department of Shipping and Transport.

301. The collection of revenue under this Head is made under the Navigation Act 1912-1968 and relevant Regulations. These Regulations provide for such items as fees for survey, inspections and tests carried out by surveyors; fees for examinations for ships' officers; permits to serve; engagement or discharge of seamen; the collection of revenue in respect of single voyage permits; coastal trade licenses; seamen's fines; and sale of legislation, forms and publications.

Q.790

Exhibit  
121/3  
and Committee  
File 1969/3

302. It was stated that the annual estimates under this Head are calculated by taking into account the amounts collected in previous years and up to the time of preparation of estimates in the current financial year and any particular known or estimated future increase in activity or change in fees. It was claimed that, because of the number of variables involved, the estimation of Navigation Revenue cannot be reduced to an exact basis.

Exhibit  
121/3  
and Committee  
File 1969/3

303. We were informed that the principal source of this Revenue is the survey and inspection of ships under the Navigation Survey Regulations. Over several years there has been a steady increase in the value of actual receipts reflecting such things as increases in fees for certain services, the increased tonnage

Q.791,795  
Committee  
File 1969/3

of vessels and the consequent increased requirement for many of the services.

Point Wilson Explosives Jetty Revenue

Table No. 13

Department of Shipping and Transport  
Point Wilson Explosives Jetty Revenue

(1967-68 to 1969-70)

Year	Amount	
	Estimated	Actual
1967-68	125,000	111,882
1968-69	120,000	104,283
1969-70	112,000	92,443

Source: Department of Shipping and Transport

304. We were informed that the function of the Point Wilson Explosives Jetty is to handle inward and outward explosives cargo and other dangerous goods. The major source of revenue is from dues levied on commercial shipping using the Pier and from charges for handling explosive cargo. Other minor items such as the hiring of equipment located at the Pier and the storage of goods on the wharf provide the remainder of revenue.

Qs. 812 to 818

305. It was stated that revenue can be estimated only on the basis of assumed usage of the facilities of the establishment.

Committee  
File 1969/3

In recent years there has been a diminishing trend in usage of the jetty. This is thought to have been caused to some extent by the fact that I.C.I.A.N.Z. has established small subsidiary explosives factories in New South Wales, Western Australia and Tasmania for the manufacture of "Molanal", thus reducing the necessity for shipment from Victoria.

Miscellaneous Revenue

Table No. 14

Department of Shipping and Transport  
Miscellaneous Revenue

(1967-68 to 1969-70)

Year	Amount	
	Estimated	Actual
1967-68	6,000	22,909
1968-69	15,300	123,717
1969-70	16,300	180,708

Source: Department of Shipping and Transport

306. We were informed that the estimate of Miscellaneous Revenue is based on anticipated receipts of minor revenue items such as fees and costs from court cases, jury fees, committee fees, rental from departmental accommodation, sale of waste paper, credits of expenditure relating to previous years etc. However, any receipt of revenue not relating to a specific Item of Revenue is also credited to this Head.

Qs. 870 & 871 and  
Committee  
File 1969/3

307. Unanticipated revenue which increased receipts above the estimate in each of the past three financial years are shown below.

Committee  
File 1969/3

1967/68

Refunds by the Department of Works arising from expenditure adjustments on roads of access projects of previous years. \$ 10,162

Refund of salary compensation payments 400

Fines on masters of two vessels imposed in a previous year. 1,566

1968/69

Recovery against loss of light-vessel 'Breaksea Spit' 94,852

Refund of customs duty on propellor for 'Australian Trader' 5,937

Refunds by Department of Works arising from expenditure adjustments on roads of access projects of previous years. 8,635

1969/70

Financial adjustment with the Overseas Telecommunications Commission (Australia) brought about by new financial arrangements between the Department and O.T.C. to date from 1/7/69, as approved by the Treasurer. 155,179

Sale of forms for motor vehicle compliance plates - newly instituted Vehicle Structures Safety Branch. 14,938

308. In view of the magnitude of miscellaneous revenue in recent years we examined witnesses on the principles adopted in segregating elements from miscellaneous revenue into new identifiable items, <sup>\$s. 875 to</sup> 879. We were informed that separate identification is accorded recurring items whose revenue value is of such a magnitude as to warrant separate identification.

Chapter 11

Expenditure

309. A summary of the estimated and actual expenditure by the Department of Shipping and Transport in the three years 1967-68 to 1969-70 is given in Table No. 15 .

Table No. 15  
Department of Shipping and Transport (a)  
Summary of Estimated and Actual Expenditure  
(1967-68 to 1969-70)

Item	1967-68		1968-69		1969-70	
	Estimated	Actual	Estimated	Actual	Estimated	Actual
	\$	\$	\$	\$	\$	\$
Administrative	6,618,000	6,563,912	6,791,100	6,768,366	7,721,000	7,373,997
Commonwealth Bureau of Roads	650,000	650,000	550,000	550,000	672,000	672,000
Shipbuilding Division	472,000	438,460	546,000	545,016	608,000	586,791
Ship Construction	42,000,000	41,998,360	48,000,000	47,999,999	58,000,000	57,999,771
Capital Works and Services	325,600	324,618	10,300,000	10,299,449	15,259,000	15,258,787
Payments to or for the States	37,430,000	34,516,340	23,430,000	19,170,154	20,680,000	20,292,156
Total	87,495,600	84,491,690	89,617,100	85,332,984	102,940,000	102,183,502

(a) Excludes Commonwealth Railways

Source: Department of Shipping and Transport

310. Details of the principal components of expenditure during these years are set out below in Table No. 16 to Table No. 24 .

Administrative

Table No. 16  
Department of Shipping and Transport  
Salaries and Payments in the Nature of Salary  
(1967-68 to 1969-70)

Item	1967-68		1968-69		1969-70	
	Estimated	Actual	Estimated	Actual	Estimated	Actual
Salaries & Allowances	\$ 2,908,000	\$ 2,862,532	\$ 3,082,030	\$ 3,063,093	\$ 3,900,000	\$ 3,841,861
Overtime	285,000	282,334	319,000	318,418	243,500	241,857
Secretary-Salary & Allowance	(a)	(a)	17,970	17,870	20,500	20,435
Special Adviser-Salary and Allowance	-	-	4,100	4,087	4,000	3,930
<b>Total</b>	<b>3,193,000</b>	<b>3,144,866</b>	<b>3,423,100</b>	<b>3,403,468</b>	<b>4,168,000</b>	<b>4,108,083</b>

(a) Included in Salaries and Allowances  
Source: Department of Shipping and Transport

(1) Salaries and Allowances

311. In 1968-69 an amount of \$20,030 was provided in the Additional Estimates but as at 30 June 1969, \$18,937 remained unexpended.

312. In explanation of this shortfall the Department informed us that the annual returns of additional appropriation requirements were furnished to the Department of the Treasury at 20 March 1969, setting out cash requirements requested for inclusion in Additional Estimates comprising Appropriation Act (No.3) 1968/69 and Appropriation Act (No.4) 1968/69. At that date the Department had received 24 funds approvals from the Department of the Treasury for additional liability covering a net increase of 50 positions within the Departmental organisation.

Exhibit  
121/7  
and Committee  
File 1969/3

313. It was stated that the cash requirement as at 20 March 1969 was based on known commitments against this Vote including furlough payments, the current level of expenditure and an estimate based on the anticipated filling of vacant positions during the remainder of the financial year. On this basis it was assessed that an additional appropriation of \$20,000 would be required

Exhibit  
121/7 and  
Committee File  
1969/3



against this Vote.

314. Following negotiation to establish a secretariat in Canberra, however, the filling of vacant positions was delayed pending finalisation of the new organisation and this delay was largely responsible for a shortfall of \$11,500 in expenditure. A further factor in the shortfall was the provision in the original estimate of an amount of \$7,400 to cover furlough payment in respect of an officer whom it was anticipated would retire towards the end of the financial year. This retirement was deferred with the resultant under expenditure of the \$7,400 provided. The deferment of this retirement was unknown when the requirement for an additional \$20,000 was assessed.

Exhibit  
121/7  
and Committee  
File 1969/3

315. In 1969-70 an amount of \$81,000 was provided in the Additional Estimates but as at 30 June 1970, \$58,139 remained unexpended.

316. Regarding this shortfall it was stated that the annual returns of additional appropriation requirements were submitted to the Department of the Treasury on 19 March 1970 and at that time the Department had received from the Department of the Treasury 18 funds approvals covering a net increase of 17 positions within the Departmental organisation. The cash requirement at that time was based on known commitments against this vote, including furlough payments, the level of expenditure to the end of February and an estimate based on fifty-six vacant positions anticipated to be filled during the period to the end of June 1970.

Exhibit  
121/7  
and Committee  
File 1969/3

317. We were informed that approximately \$43,000 of the shortfall of \$58,139 was due largely to the 56 positions either not being filled or filled at a later period than anticipated. The additional amount covered \$15,250 provided for payments in lieu of furlough to three officers who elected to continue beyond the age of 60 years instead of retiring as expected during the 1969/70 financial year.

Exhibit  
121/7  
and  
Committee  
File 1969/3

318. It was stated that the increases that occurred in expenditure each year since 1967-68 were attributable to increased staff, increases in salary rates and, in 1969-70, an additional amount for allowances previously charged elsewhere prior to a change in the form of the Estimates.

(ii) Overtime

319. The increase in expenditure in 1968-69 compared with the level in 1967-68 was said to reflect increased expenditure on salaries and greater departmental activity induced by an increase in actual average employment of 845 in 1968-69 as against 743 in 1967-68. Exhibit 121/7 and Committee File 1969/3

320. The estimate for 1969-70 was reduced due to the transfer of the following allowances to the Salaries and Allowances Items:

	\$	
Payment in lieu of shore leave	51,750	
Excess travelling time	2,235	
Holiday duty pay	9,150	
Sunday duty pay	59,665	Exhibit 121/7 and Committee File 1969/3
Allowances to officers stationed overseas	1,300	
Allowance in lieu of overtime	13,520	
	<u>\$137,620</u>	

Having regard to this change in the estimates the corrected estimated figure for comparative purposes was said to be about \$381,000 representing an increase of \$62,000 over the 1968/69 Estimate. Of this figure at least \$35,000 was attributed by the Department to the allowances listed above (in the case of Shore Leave the actual figure is \$11,600) leaving a net increase for overtime of \$27,000. This increase was attributed to increased salary rates with a corresponding increase in overtime rates, particularly for the crews of lighthouse vessels, and expanding Departmental activity.

(iii) Special Adviser

321. We were informed that funds were appropriated for the services of a Special Adviser during the latter part of 1968-69 and the early part of 1969-70.

Administrative Expenses

Table No. 17  
Department of Shipping and Transport  
Administrative Expenses  
(1967-68 to 1969-70)

Item	1967-68		1968-69		1969-70	
	Estimated	Actual	Estimated	Actual	Estimated	Actual
	\$	\$	\$	\$	\$	\$
Travelling & Subsistence	255,000	254,817	297,000	296,682	398,000	397,715
Office Requisites and Equipment, stationery & printing	74,000	73,795	88,000	87,574	130,000	129,975
Postage, telegrams & telephone services	139,000	137,375	139,000	138,942	208,000	207,947
Freight & cartage	128,000	126,621	139,000	138,969	186,000	185,973
Maintenance stores & services	429,000	428,927	488,000	487,822	585,000	584,621
Fuel, light and power	151,000	150,783	176,000	175,800	200,000	199,992
Coastal radio service—Payment to Overseas Telecommunications Commission (Australia) towards operating cost.	930,000	930,000	960,000	960,000	785,000	500,000
Professional Services—Fees and expenses	132,000	131,858	219,000	218,899	256,000	255,931
Incidental and other expenditure	96,000	95,971	126,000	125,620	129,000	128,973
<b>Total</b>	<b>2,334,000</b>	<b>2,330,147</b>	<b>2,632,000</b>	<b>2,630,308</b>	<b>2,877,000</b>	<b>2,591,127</b>

Source: Department of Shipping and Transport

(i) Travelling and Subsistence

322. We were informed that about 85 per cent of expenditure under this Item relates to travel. The estimate is formulated each year on the basis of expenditure in the previous year and consultation with Section heads regarding the programme of activity expected in the forthcoming year. Variations in actual expenditure during 1968-69 and 1969-70 were said to reflect increased costs and expanding departmental activity.

(ii) Office Requisites and Equipment, Stationery and Printing.

323. We were informed that stationery and printing, office machines and equipment are the principal areas where expenditure

Exhibit  
121/7  
and Qs. 1251  
and 1252  
Exhibit  
121/7  
and Qs. 1253 to  
1256 and  
Committee File.  
1969/3

has been incurred under this Item. The estimate is formulated each year on the basis of regional forecasts and consultation with Section heads regarding their requirements for the year concerned. Increases in actual expenditure in 1968-69 and 1969-70 were attributed to increased costs and expanding departmental activity, particularly during 1969-70 when the Department's new office was established in Canberra.

Exhibit  
121/7  
and Qs. 1253 to  
1256 and  
Committee File  
1969/3

(iii) Postage, Telegrams and Telephone Services

324. We were informed that the estimate for this Item is based on the previous year's expenditure together with consultations regarding any changes that may be necessary. Separate records are maintained of expenditure under each of the three sub-heads. The increase in expenditure in 1969-70 was attributed by the Department to the establishment of new offices in Canberra and Darwin, the setting up of Marine Operations centres in each Regional Office and increasing costs.

Exhibit  
121/7  
Qs. 1257 to  
1259 and  
Committee File  
1969/3

(iv) Freight and Cartage

325. It was stated that increased expenditure under this item was largely attributable to entering into new contracts with launch, light aircraft and helicopter operators for servicing of marine aids to navigation. The substantial increase during 1969/70 also took into account the use of the lighthouse tender M.V. 'Cape Pillar' for establishing new aids to navigation in lieu of a normal servicing itinerary with a consequent increase in the use of outside contract services.

Exhibit  
121/7  
and Committee  
File 1969/3

(v) Maintenance Stores and Services

326. We were informed that apart from normal increased costs of stores and materials generally, the introduction of a programmed provisioning of stores necessitated more extensive stockholding levels. This programme has necessitated expenditure on stores stock where previously expenditure was incurred on a day to day level instead of a programmed basis. It is intended that stockholding should be acquired over a three year period. Thereafter expenditure should tend to level out and any subsequent

Exhibit  
121/7  
and Committee  
File. 1969/3

increase would be needed only to cover additional aids and general rises in prices of commodities.

(vi) Fuel, Light and Power

327. The Department stated that increased expenditures during 1968-69 and 1969-70 reflect increased costs generally and the use of lighthouse vessels for construction of new navigational aids. This transfer of functions required the purchase of additional stocks of fuel for lightstations due to a reduced number of servicing trips.

Committee  
File 1969/3

(vii) Coastal Radio Service-Payment to Overseas  
Telecommunications Commission

328. We were informed that, under its obligations for ensuring safety of life at sea the Commonwealth requires all ships to have radios and it also has an obligation to provide shore facilities with which ships can make radio contact in an emergency and also for their commercial traffic. Rather than establishing individual stations for this purpose the Commonwealth has used the stations established by the Overseas Telecommunications Commission and has paid a subsidy each year to the Commission to cover the additional costs of operating the stations beyond the requirement of the Commission. Until recently these payments have been based on an estimate calculated on the deficit of the Commission's operating costs on this item during the year and therefore represented an actual direct recoupment of the money involved. In years prior to 1969-70, therefore, estimated and actual expenditure always coincided.

Exhibit  
121/7  
and Q.1299

329. It was stated that in the estimates for 1969/70 provision was made in the normal manner but, following recommendations by an inter-departmental committee, the Treasurer, on 27 January 1970, informed the Postmaster-General by letter of his agreement with the recommendations of the inter-departmental meeting which examined the financial arrangements between the Department of Shipping and Transport and the Overseas Telecommunications Commission. The new arrangement provides for payment of \$500,000 per year to the Overseas Telecommunications Commission for 3 years as from 1 July 1969.

Committee File  
1969/3

Resulting from this decision only \$500,000 of the provision for 1969/70 was expended.

(viii) Professional Services -Fees & Expenses

330. We were informed that funds provided in 1967/68 included Additional Estimates of \$10,800 covering \$6,800 for Courts of Marine Inquiry and \$4,000 for increased fees and allowances for members of Committees, applicable from 1 July 1965. Committee File 1969/3

331. The 1968/69 estimate was based on the original figure for 1967/68 plus minor increases to a total of \$123,000. Additional Estimates amounting to \$96,000 brought the overall appropriation to \$219,000. Funds sought under Additional Estimates comprised \$37,500 for additional professional services, and \$58,500 for additional payment to the Postmaster-General's Department for inspection of maritime radio installations. Exhibit 121/7 and Committee File 1969/3

332. The Original Estimate for 1969/70 amounted to \$236,000 the increase of \$113,000 over the Original Estimate of \$123,000 for 1968/69 being accounted for by the following items: Committee File 1969/3

Increased payment to the Postmaster-General's Department for inspection of maritime radio installations	\$13,000
Increased estimate for payments to State Surveyors	\$ 1,000
Courts of Marine Inquiry	\$ 4,000
Payments for specialist services	\$25,000
Payments for the operation of the Decca navigation system at Port Hedland, Western Australia	\$70,000

In that year a further \$20,000 was obtained from the Additional Estimates. \$17,000 of this amount related to costs of courts of Marine Inquiry and the remainder was required to cover payment for specialist services.

(ix) Incidental and Other Expenditure

333. It was stated that this item covers miscellaneous expenditure not included in other items of Administrative Expenses. Whilst there are nineteen categories into which this expenditure is itemised, major components are Advertising, Office cleaning, Uniforms and Protective clothing, Public Relations, Watchmen's service for Lighthouse Supply Vessels, Education Allowances (Lightkeepers' children), Water and Sewerage charges and Compensation. In addition the Item covers the fares, removal expenses and settling-in allowances of staff recruited from overseas, freight charges, maintenance of office machines and operating expenses at Point Wilson. We were informed, however, that the main variable in the Item is payment of employees' compensation. In this area significant amounts have been awarded following court action but it has been impossible to forecast these payments.

Exhibit  
121/7  
Q. 1259 and  
Committee File  
1969/3

Other Services

Table No.18  
Department of Shipping and Transport  
Other Services  
(1967-68 to 1969-70)

Item	1967-68		1968-69		1969-70	
	Estimated	Actual	Estimated	Actual	Estimated	Actual
Free or concessional railway fares and freights	7,000	6,983	6,000	6,000	7,000	7,000
Roads of access to Commonwealth properties-contribution to maintenance	300,000	298,152	287,000	286,533	285,000	283,815
Promotion of road safety practices	234,000	233,764	234,000	233,078	234,000	233,972
Melbourne-King Island Shipping Service-Financial assistance	150,000	150,000	141,000	141,000	150,000	150,000
Shipping service to Papua and New Guinea-subsidy	400,000	400,000	68,000	67,979	-	-
Total	1,091,000	1,088,899	736,000	734,590	676,000	674,787

Source: Department of Shipping and Transport

(1) Free or Concessional Railway Fares and freights.

334. Section 86 of the Commonwealth Railways Act provides that the Commonwealth Railways Commissioner shall be entitled to reimbursement by the Treasury of the value of any pass over the railway issued by the Minister and the value of any special services ordered in connection with the railways by the Parliament or by the Minister. The value in all such cases shall be determined by the Commissioner provided that the sum so determined in respect of any pass or service shall not exceed the charge ordinarily made by the Commissioner for a similar service.

335. We were informed that concessions have been accorded to such groups as overseas visitors, members of scientific organisations, Missions and ex-service personnel travelling to conventions. Most of the concessions relate to travel by ex-servicemen. Qs.1260 to 1266

(ii) Roads of Access to Commonwealth Properties- Contribution to Maintenance

336. It was stated that the roads concerned with this expenditure are not Commonwealth-owned roads but roads located in Shire and City areas where the volume of Commonwealth traffic is such that a contribution towards the cost of maintenance of the road of access has been justified by agreement between the local authority concerned and the Commonwealth. The role of the Department of Shipping and Transport is to approve programmes of work and manage the funds. The Department of Works negotiates with the local authorities in whose areas the roads are located and arranges for the required work to be undertaken. Qs.1271 to 1273 and Committee File 1969/3

337. In commenting on expenditure under this Item in years prior to 1967-68 the witness stated that shortfalls that occurred in expenditure in 1961-62 and 1962-63 had arisen from a failure to adequately pursue outstanding claims from local authorities so as to ensure that the full cost allocation for the year was expended. Q.1271

(iii) Promotion of Road Safety Practices

338. In each year since 1947-48 the Commonwealth has provided amounts specifically for public education programmes for the promotion of road safety practices. The initial annual provision of \$200,000 was increased to \$300,000 in 1955-56 and to \$350,000 in Qs. 1265, 1321 and 1322



1966-67. Of the total annual provisions in 1967-68 to 1969-70 inclusive, \$234,000 was allocated each year for expenditure by the Commonwealth on this programme. Disbursements of the remainder of the allocations to the States for road safety promotion have been itemised separately since 1963-64 and in 1969-70 were covered by Item 891/3.

(iv) Melbourne-King Island Shipping Service-Financial Assistance

339. We were informed that following an investigation into the problems caused by the high cost of transport between King Island and the mainland, the Government decided in 1964-65 that assistance was warranted to reduce the cost of transport which was the main problem inhibiting the development of the Island. It was therefore decided to subsidise the shipping service between Melbourne and King Island. The rates of subsidy payable were reduced from 1 July 1968, leading to a reduced estimate for 1968-69. However, the volume of freight traffic of this service has necessitated subsidy payments in 1969-70 equal to the payments made in 1967-68.

Qs.1280 to  
1282 and  
Committee File  
1969/3

(v) Shipping Service to Papua & New Guinea-Subsidy

340. Prior to this subsidy, Burns Philp and Co.Ltd., which operated three vessels, "Bulolo", "Malikula" and "Moresby" between Australia and Papua and New Guinea using Australian crews, had found it impossible to compete with overseas vessels manned by overseas crews. The Government decided to reimburse the Company for part of the extra cost of Australian crews. The subsidy ceased to operate during 1968-69.

Qs.1263 &  
1264 and  
Committee File  
1969/3

Commonwealth Bureau of Roads

Table No.19  
Department of Shipping and Transport  
Payments to the Commonwealth Bureau of Roads  
(1967-68 to 1969-70)

Year	Estimated	Actual
1967-68	\$ 650,000	\$ 650,000
1968-69	550,000	550,000
1969-70	672,000	672,000

Source: Department of Shipping and Transport

341. Section 20 of the Commonwealth Bureau of Roads Act provides that there are payable to the Bureau such moneys as are appropriated by the Parliament for the Bureau's purposes. Section 21 of the Act provides that the Bureau may open and maintain an account or accounts with an approved bank or approved banks and shall maintain at all times at least one such account.

342. We were informed that the funds appropriated as shown in Table No above have been transferred to the Bureau and are utilised on a planned programme of work. The cash available in the Bureau's bank accounts is taken into consideration in the framing of estimated payments to the Bureau. As at 30 June 1968 an amount of \$108,000 was carried forward by the Bureau in its Bank Accounts into 1968-69. Although the appropriation for that year was \$550,000 compared with \$650,000 in 1967-68, the total funds available to the Bureau in 1968-69 amounted to \$658,000.

Exhibit  
121/7 Q.1326  
and Committee  
File 1969/3

Shipbuilding Division

Table No.20  
Department of Shipping and Transport  
Shipbuilding Division - Salaries & Payments in the Nature of Salary  
(1967-68 to 1969-70)

Item	1967-68		1968-69		1969-70	
	Estimated	Actual	Estimate	Actual	Estimate	Actual
Salaries and Allowances	\$ 391,000	\$ 358,080	\$ 455,000	\$ 454,583	\$ 514,000	\$ 493,765
Overtime	12,000	11,773	12,000	11,868	14,000	13,949
Total	403,000	369,853	467,000	466,451	528,000	507,714

Source: Department of Shipping and Transport

(i) Salaries and Allowances

343. Prior to a re-arrangement of the Estimate in 1968-69, salaries and allowances of permanent staff of the Shipbuilding Division were provided for in Item 460/1/01 while corresponding provisions for temporary employees were covered by Item 460/1/02. In 1967-68 the estimated and actual expenditure on these Items was as follows:-

Committee  
File 1969/3

	<u>Estimated</u> <u>Expenditure</u>	<u>Actual</u> <u>Expenditure</u>
	\$	\$
Item 460/1/01	301,000	300,150
Item 460/1/02	90,000	57,930

344. Regarding the shortfalls that occurred in expenditure in 1967-68 we were informed that at the commencement of that year 22 temporary staff were employed by the Shipbuilding Division. However in the first two months of the year the level of temporary employment dropped to 17 and further decreased to 14 by 30/6/68. Over the year the number of permanent officers increased from 63 on 1/7/67 to 78 on 30/6/68 and the total staff of the Division rose from 85 to 92 over the same period.

Committee  
File 1969/3

345. The original estimate of \$90,000 in Division 460/1/02 was based on the expectation that the level of temporary employment would remain steady in the vicinity of 22 in number. An unexpected loss of temporary staff occurred, however, due mainly to resignations and to the filling of vacancies by persons eligible for permanent appointment and paid from Item 460/1/01.

346. The trend to underspending was foreseen at the time of the review of estimates in December 1967 when the Department of the Treasury was advised that, on an overall basis underexpenditure could reach an amount of about \$30,000. Although expenditure on permanent staff showed a measure of improvement, the situation was counterbalanced by a compensatory decline in expenditure on temporary staff.

Committee  
File 1969/3

347. During 1969/70 recruitment of professional and technical staff was not as good as anticipated with a consequent underexpenditure of \$20,235.

348. The increased expenditure in 1968/69 against 1967/68 and in 1969/70 against 1968/69 was attributed by the Department to increased staff, the actual average employment being 82 in 1967/68, 99 in 1968/69, and 106 in 1969/70. It was also attributed to increases in wage rates.

(ii) Overtime

349. We were informed that the increase that occurred in expenditure in 1969-70 was due to increases in salary rates and overtime rates.

Administrative Expenses

Table No.21  
Department of Shipping and Transport  
Shipbuilding Division-Administrative Expenses  
(1967-68 to 1969-70)

Item	1967-68		1968-69		1969-70	
	Estimated	Actual	Estimated	Actual	Estimated	Actual
Travelling & Subsistence	\$ 30,000	\$ 29,760	\$ 34,000	\$ 33,798	\$ 36,000	\$ 35,124
Office requisites & equipment, stationery & printing	8,000	7,985	13,000	12,961	12,000	11,966
Postage, telegrams & telephone services	12,000	11,945	13,000	12,972	14,000	13,999
Incidental & other expenditure	19,000	18,917	19,000	18,834	18,000	17,988
<b>Total</b>	<b>69,000</b>	<b>68,607</b>	<b>79,000</b>	<b>78,565</b>	<b>80,000</b>	<b>79,077</b>

Source: Department of Shipping and Transport

(i) Travelling and Subsistence

350. We were informed that about 85 per cent of this expenditure relates to travel. The estimate for this Item each year is based essentially on the financial results of the previous financial year together with consultation with Section heads on the expected programme of activity. Variations in actual expenditure during the three years shown above were said to reflect increasing costs.

Exhibit  
121 / 7  
Cs. 1251 & 1252  
and Committee  
File, 1969/3

(ii) Office Requisites and Equipment, Stationery & Printing

351. It was stated that the estimate is formulated each year on the basis of forecasts and consultations with Section heads regarding their requirements. The increase in the Estimate for 1968-69 was due entirely to the purchase of an electrostatic copying machine valued at \$5,000, required for copying contract documents. The estimate for 1969-70 provided for a desk computer at a cost of

Exhibit  
121/7  
Cs. 1255 &  
Committee  
File 1969/3

(iii) Postage, Telegrams and Telephone Services

352.

We were informed that the estimates for these services are based on the previous year's expenditure together with consultation on any changes that may be required. Separate records of postage, telegram and telephone costs are maintained as an aid to estimating and management. Variations in expenditure since 1967-68 reflect increasing costs.

Qs. 1256 to  
1258 Committee  
File 1969/3

(iv) Incidental and Other Expenditure

353.

We were informed that compensation payments to employees comprise the most significant element in this expenditure. The Item also provides for expenses associated with the operation of the Australian Shipbuilding Board. A slight reduction in the Estimate for 1969-70 was said to reflect current expenditure trends.

Qs. 1259 and  
Committee File.  
1969/3

Ship Construction

Table No. 22  
Department of Shipping and Transport  
Purchase of Ships, Material and Equipment  
(1967-68 to 1969-70)

Year	Estimated	Actual
	\$	\$
1967-68	42,000,000	41,998,360
1968-69	48,000,000	47,999,999
1969-70	58,000,000	57,999,771

Source: Department of Shipping and Transport

354.

We were informed that the main cause of the increase in gross expenditure under this Item from about \$18 million in 1962-63 to \$48 million in 1968-69 was an increase in the number of ships built under subsidy. The Government's decision following the Tariff Board Inquiry in 1963 extended the range of ships to which the subsidy was applicable. This had the effect particularly of increasing the number of small vessels between 200 tons gross and 500 tons gross built under subsidy. Concurrently the Government's decision extended the range of ships to which the subsidy applied to include dredges and other types of marine plant.

Exhibit  
121/7  
Q. 1304 and  
Committee  
File 1969/3

Another factor connected with increased expenditure which has continued through into 1969-70 has been an upsurge in activity in coastal shipping. Shipowners have tended to place greater numbers of orders for new ships than had been the case in earlier years.

Capital Works and Services

Table No. 23  
Department of Shipping and Transport  
Expenditure on Capital Works and Services  
(1967-68 to 1969-70)

Item	1967-68		1968-69		1969-70	
	Estimated	Actual	Estimated	Actual	Estimated	Actual
Vessels, Plant & Equipment	\$ 325,600	\$ 324,618	\$ 1,300,000	\$ 1,299,449	\$ 1,234,000	\$ 1,233,787
Australian Coastal Shipping Commission-For expenditure under the Australian Coastal Shipping Commission Act	-	-	9,000,000	9,000,000	14,000,000	14,000,000
Wilson's Promontory Light-station contribution towards access track	-	-	-	-	25,000	25,000
<b>Total</b>	<b>325,600</b>	<b>324,618</b>	<b>10,300,000</b>	<b>10,299,449</b>	<b>15,259,000</b>	<b>15,258,787</b>

Source: Department of Shipping and Transport

(i) Vessels, Plant & Equipment

355. We were informed that the original estimate for 1968-69 amounted to \$360,000 which reflected an increase attributable to rising costs and expanding activity. Additional Estimates of \$940,000 were obtained to cover costs associated with the establishment of a Decca navigational aid at Port Hedland, Western Australia. The estimate for 1969-70 allowed for a 10 per cent increase to a total of \$396,000 for normal expenditure under the item plus \$729,000 for continuing costs associated with the Decca navigational aid. Additional Estimates of \$109,000 were obtained for the purchase from the Department of the Army of a new Larc V amphibian and associated spares.

Exhibit  
121/7  
Committee  
File 1969/3

(ii) Australian Coastal Shipping Commission-  
For Expenditure Under the Australian Coastal  
Shipping Commission Act

356. Section 30 of the Australian Coastal Shipping Commission Act 1956-1969 provides that the Commission may, with the approval of the Treasurer, borrow moneys from time to time in such amounts as the Minister certifies are, in his opinion, necessary for meeting its obligations or discharging its functions under the Act. The treasurer may, on behalf of the Commonwealth, out of moneys appropriated by the Parliament for the purpose, lend to the Commission, moneys that the Commission is authorised to borrow and the borrowing of which by the Commission from the Commonwealth is approved by the Minister. The rate of interest on such borrowings is determined by the Treasurer at a rate not less than the rate payable on the last long term loan raised by the Commonwealth in Australia by public subscription. The loans are also subject to such other terms and conditions as the Treasurer determines.

(iii) Wilson's Promontory Lightstation-Contribution  
towards Construction of access track

357. We were informed that the Wilson's Promontory Lightstation is located at the extreme south-east end of the Promontory and is separated from the nearest developed area by about thirteen miles of rugged and difficult terrain. Present servicing of this manned lightstation is by three visits per annum by M.V. "Cape Pillar", supplemented by a fortnightly launch service.

358. The former service is devoted mainly to the supply of bulk fuel, stores, heavy items of equipment and construction materials. The latter service is provided by a small fishing vessel from Port Albert which has limited accommodation for personnel and carries only fresh provisions, groceries and mail. In addition, this launch service must be utilised for emergency purposes such as accidents or illness. Adverse weather conditions frequently make its use impossible and there have been several occasions when it has been necessary to use a chartered helicopter in such emergencies.

Committee  
File 1969/3

359. The operational and economic desirability of substituting

land transport for sea transport with the relief of the large for more productive work, has been pursued for some twenty years. when the National Parks Authority changed its outlook recently concerning general access to the promontory, the Department succeeded in negotiating for the continuation of an existing access track for a further five and a quarter miles to the station.

360. The contribution by the Commonwealth has been calculated on anticipated usage and benefit as between the State of Victoria and the Commonwealth.

Payments to or for the States

Table No. 24  
Department of Shipping and Transport  
Payments to or for the States  
(1967-68 to 1969-70)

Item	1967-68		1968-69		1969-70	
	Estimated	Actual	Estimated	Actual	Estimated	Actual
Railway Standardisation (South Australia) Agreement	9,000,000	6,628,133	7,500,000	6,878,324	2,600,000	2,212,156
Railway Agreement (Western Australia)	20,000,000	19,458,207	12,000,000	8,361,830	7,900,000	7,900,000
Railway works in New South Wales	8,250,000	8,250,000	3,750,000	3,750,000	10,000,000	10,000,000
Promotion of Road Safety Practices	116,000	116,000	116,000	116,000	116,000	116,000
Eyre & Barkly Highways - Contribution to maintenance	64,000	64,000	64,000	64,000	64,000	64,000
Total	37,430,000	34,516,340	23,430,000	19,170,154	20,680,000	20,292,156

Source: Department of Shipping and Transport

- (1) Railway Standardisation (South Australia) Agreement

361. The Railway Standardisation (South Australia) Agreement Act 1949 provides for the carrying out of various rail gauge standardisation works in South Australia, the Commonwealth being required to provide initially all of the finance and the State to repay 30 per cent of this by instalments over a period of fifty years, plus interest



on outstanding balances. Conversions of the 3'6" gauge lines of the South-eastern Division of the State to 5'3" gauge, pending conversion of the main South Australian and Victorian systems to standard 4'8½" gauge, was completed in 1959 and work is almost completed on the conversion to standard gauge of the Port Pirie-Cockburn railway.

362. In relation to the shortfalls that occurred in expenditure in 1967-68, 1968-69 and 1969-70 we were informed that the Department of Shipping and Transport has no direct control over the actual expenditure incurred by the State on this project in any one financial year. Although the Minister for Shipping and Transport approves the limit of expenditure on works within each section of the project, the responsibility for execution of the work by letting of contracts, procurement of supplies, supervision and control of the progress of the works, and direct control over the rate of expenditure arising therefrom rests entirely with the State authorities.

Exhibit  
121/7  
Q.1316 and  
Committee File  
1969/3

363. The State authorities are required to furnish the Minister with an estimate of the funds likely to be sought from the Commonwealth by way of reimbursement of expenditure expected to be incurred in each financial year. These are forwarded to the Department of Shipping and Transport where they are examined in the light of works in progress, performance generally and the extent to which it is reasonably expected that works will be put in hand during the financial period concerned. However, having regard to the circumstances under which the Commonwealth is obliged, under the terms of an agreement ratified by the Commonwealth and State Parliaments, to provide funds requested by the State to carry out works proposed within the period, any adjustment to the estimates proposed by the Department of Shipping and Transport must be agreed with the State authorities.

Exhibit  
Q.1316 and  
Committee File  
1969/3

364. The under-expenditures that occurred resulted from the State being unable to commit and expend in accordance with the Estimates and therefore being unable to make claims against the Commonwealth. The variations in actual expenditure during the years 1967-68 to 1969-70 inclusive are a result of the original estimate,

Exhibit  
121/7  
and Committee  
File 1969/3

the under-expenditure in the previous financial year and the phasing out of the expenditure as the works near completion.

(ii) Railway Agreement(Western Australia)

365. Under the Railway Agreement(Western Australia)Act 1961 the Commonwealth is providing financial assistance to Western Australia for the construction of a standard gauge railway from Kwinana to Koolyanobbing, with an extension to Kalgoorlie and for the purchase of rolling stock for the railway. While the project is associated with the development of an iron and steel industry at Kwinana, using iron ore from Koolyanobbing, the extension of the railway eastward to Kalgoorlie also provides a standard gauge link between Perth and the Trans-Australian Railway.

P.P. No.107  
of 1970

366. For financing purposes the cost of the project is divided equally into two parts, one of which is attributed to development and the other to the creation of a uniform gauge railway between Western Australia and the Eastern States. The Commonwealth will provide initially all of the finance for that part of the cost associated with railway standardisation and the State will repay 30 per cent by instalments over fifty years, plus interest on outstanding balances. The Commonwealth will provide finance initially for 70 per cent of the cost attributed to development and the State is required to repay this in full over twenty years, plus interest on outstanding balances.

P.P. No.107  
of 1970

367. We were informed by the Department of Shipping and Transport that, as in the case of the Railway Standardisation(South Australia) Agreement it has no direct control over the actual expenditure incurred by the State on this project in any one financial year. The same expenditure administrative arrangements and problems of expenditure estimation apply to both Agreements.

Committee  
File 1969/3

368. In the case of the Railway Agreement (Western Australia) we were informed that the shortfall that occurred in expenditure in 1968-69 was due largely to the ordering and construction of rolling stock falling behind schedule. Work on buildings and tracklaying and the purchase and erection of signalling and telegraph

equipment also took longer than anticipated.

(iii) Railway Works in New South Wales

369. The Railway Agreement (New South Wales and South Australia) Act 1968 provided for the construction on behalf of South Australia of a standard gauge railway from Cockburn to Broken Hill together with various railway works associated with the standard gauge connection. This project has reached the stage where trans-continental trains commenced operating early in 1970. The Commonwealth is providing finance on the same terms as those described in relation to the Railway Standardization (South Australia) Agreement Act 1949.

(iv) Promotion of Road Safety Practices

370. In each year since 1947-48 the Commonwealth has provided amounts specifically for public education programmes for the promotion of road safety practices. The initial total annual provision of \$200,000 was increased to \$300,000 in 1955-56 and to \$350,000 in 1966-67. Payments made to the States in 1967-68 to 1969-70, inclusive totalled \$116,000 per annum. The remainder of the total allocation in each year was expended directly by the Commonwealth. A further increase in the total provision to \$450,000 is proposed for 1970-71. Of this amount \$150,000 per annum is to be distributed among the States for assistance towards local programmes.

P.P. No.107 of  
1970 and  
Q.1321

(v) Eyre and Barkly Highways

371. Since 1947-48 the Commonwealth has provided financial assistance towards the cost of maintaining the Eyre Highway in South Australia and Western Australia and the Barkly Highway in Queensland. These payments were made from the Commonwealth Aid Roads Trust Account prior to 1959-60 and from annual appropriations from 1 July 1959.

P.P. No.107 of  
1970 and Qs.1276  
to 1278.

Chapter 12  
Relationships with the Department of Trade and Industry

372. During our inquiry we were informed that the Department of Shipping and Transport was being drawn out of its historical, narrow administrative role into the wider area of advising, assisting and co-ordinating in the field of transport policy. It was said that from within Australia there had been recent moves to enter into international shipping and these developments involved both the Department of Shipping and Transport and the Department of Trade and Industry. While a close liaison had existed for some time between these two departments, it was felt that, in the future, the Department of Shipping and Transport should move to a greater extent into the field of co-ordination of transport and transport developments and should provide greater assistance to the Government in the development of policies to ensure maximum efficiency of transport at minimum cost. Qs. 7 and 24 to 26

373. In these circumstances, and having regard to the nature of the research projects undertaken in recent years by the Transport Development Section of the Department of Shipping and Transport, referred to in Appendix No. 6 of this Report, we sought a submission from the Department of Trade and Industry relating to the circumstances that gave rise to the development of a shipping organisation within that Department, the nature and scope of that organisation and its relationships with the Department of Shipping and Transport. Committee File 1969/3

374. We were informed by the Department of Trade and Industry that in the immediate post-world War II period little attention had been paid to overseas shipping matters. In 1953 the British/Continent Conference notified their intention of imposing a 10 per cent increase in freight rates in the Australian north-bound trade. This request was rejected by Australian Shippers and when the matter appeared to be insoluble, the shippers requested the then Department of Commerce and Agriculture to act as an independent fact finding body. The Department began its investigations of shipping costs and also invited shipowners to provide it, on a confidential basis, with information relating to their costs. Eventually the parties agreed to compromise on the basis

Exhibit  
121 /9  
and Qs. 895 to  
899

of a 7½ per cent increase on the homeward trip.

375. In 1955 a similar request for increased freight rates resulted in the Department again accepting the role of a fact finding body.

376. When the Department of Trade & Industry was established in 1956 it was made clear that the prime responsibilities of the new department included shipping matters affecting the carriage of goods to and from Australia. Between 1956 and 1961 shipping problems were dealt with by a section of the Trade Policy Branch of the Department. During those years the main work of the Department in the shipping area involved advising on the constitution and establishment of a revised shipping body in the British/Continent trade and representations to shipping lines or conferences in respect of the frequency of services and rates charged. It also included an attempt to organise shippers and shipowners in the Malaysian trade on the same basis as that established in the British trade. Exhibit 121 /9

377. In 1961 proposals were made to the Public Service Board regarding the re-organisation of various sections of the Department. These included the establishment of an Export Policy Branch with responsibility, inter alia, for the development of policies relating to overseas liner shipping and an Export Services Branch responsible for current shipping problems. These Branches were established in 1962. Exhibit 121 /9

378. We were informed that between 1962 and 1965 the Department was involved in major shipping work including the policy formulation of Part XA of the Trade Practices Act. Arising from this additional work a specific Shipping Section within the Export Policy Branch was created in August 1965. Exhibit 121 /9

379. During 1966 the Department's shipping work increased still further and the Trade Practices Legislation relating to Shipping became operative as an administrative responsibility of the Minister for Trade and Industry. By 1967 it became apparent that a further re-organisation of the Department was required. This arose partly from the increased workload that had arisen from shipping activities and from an expected increase in work arising from the

administration of Part XA of the Trade Practices Act. It was also considered that with the introduction of container shipping and its direct inter-relation with land transport operations as well as the special problems that could arise for certain commodities in a changeover from conventional shipping to container operations, there was a need for a special Branch of the Department to handle transportation problems related to export trade.

380. In November 1967, a new Branch, the Exports Transportation Branch, was created with the following functions:

- . develop the most economic and efficient methods of overseas shipping operations, sailing patterns and vessel utilisation in outward trades from Australia
- . induce the introduction of the types and volume of transport services required to meet future export needs in particular markets and for particular commodities
- . carry out research into the effect of new and developing transport systems on Australia's major export commodities
- . study of shipping developments in other countries
- . continuous review of shore-based facilities which support overseas shipping services to ensure that the needs of Australia's export trade are met
- . to provide Departmental and Ministerial advice on aspects of shipping as they affect Australia's export trade
- . administration of Part XA of the Trade Practices Act
- . carrying out research needed for the assessment of adequacy, efficiency and economy of shipping services as required by the Act
- . participation in shipper/shipowner negotiations under the Act
- . analysis of cargo movements and ships' sailing patterns within shipping conferences in relation to the establishment of shipper bodies under the Act
- . investigate day-to-day shipping problems such as complaints by exporters relating to shipping matters

Exhibit  
121 /9 and  
Qs. 906 to  
918

- negotiation of agreements between the Government and shipowners in regard to provision of subsidised shipping services to new export markets
- the preparation of briefs for, and attendance at meetings of international bodies such as UNCTAD and ECAFE in relation to overseas shipping
- negotiations with other Governments on overseas shipping legislation and other overseas shipping matters.

381. We were informed by the Department of Trade and Industry that although its responsibilities and those of the Department of Shipping and Transport are quite distinct, consultation has always existed between the two departments. With the introduction of container shipping operations and particularly with the proposed entry of ships owned by the Australian National Line into overseas trade, areas of work arose within the functions of each Department which affected those of the other.

Exhibit  
121 /9

382. It was emphasised that the shipping functions of the Department of Trade and Industry are related to the carriage of Australian goods for export. The Department is interested in the efficiency of the transport service and is concerned therefore with legislation and policy development as it relates to overseas shipping.

Exhibit  
121 /9

383. We were informed by the Department of Trade and Industry that the through service which is the basis of container ship operations involves not only overseas shipping but also land transport operations and coastal feeder ships in the movement of cargo to and from the container terminals, or depots, both in Australia and in the countries of destination. Within Australia, land transport operations and coastal feeder shipping come within the scope, at the Commonwealth level, of the Department of Shipping and Transport. The efficient development of land transport and coastal shipping systems serving the container ship operation are clearly essential to the overall efficiency of the overseas shipping service concerned. Consequently, there is an area of work where the two Departments need to co-ordinate their views and policy attitudes to achieve the best overall result for Australian exporters. It was claimed that this co-ordination is being achieved.

Exhibit  
121 /9  
and Q.925

384. During this phase of our inquiry we examined the duty statements of the positions located in the Exports Transportation Branch of the Department of Trade and Industry, particularly where they appeared to have a bearing on the areas of responsibility of the Department of Shipping and Transport.

385. We noted that a duty of one position is to prepare, plan and execute detailed studies of the effect of new and developing transport systems on Australia's major export commodities in liaison with the Director, Shipping Practices Branch. We were informed that this work covers an area involving close consultation between a range of authorities and departments including the Department of Shipping and Transport. Consultation usually takes place informally through membership of an inter-departmental committee, a device which ensures, inter alia, that overlap of work between member departments is avoided.

386. We also noted that another duty statement provides for the continuous review of shore-based facilities which support overseas shipping services, to ensure that the needs of the Australian export trade are met. In another case a duty statement provides for the examination of commodity, port and terminal handling problems, costs, delays and possible improvements in Australia and overseas. We examined witnesses on a duty statement which provides for studies to be undertaken and recommendations made on domestic transport systems and facilities for exports. It was indicated that these studies are related to specific commodity problems in the context of export promotion. In the case of each of these duty statements we were assured by the witnesses representing the Department of Trade and Industry that constant consultation is maintained between that Department and the Department of Shipping and Transport.

387. A witness representing the Department of Trade and Industry stated that it is extremely difficult to include specific terms in a duty statement where it is intended that there should be considerable flexibility of operation arising from the problems of a department. In this regard the Public Service Board Observer, Mr. Vanthoff, agreed that it is difficult to design duty statements with complete technical accuracy. He

Exhibit  
121 /9 and  
Qs.928 to  
951

Qs.944 to  
952



thought it likely that similar descriptions of duties would be found in duty statements in both the Department of Trade and Industry and the Department of Shipping and Transport. He doubted, however, whether the key link of exports would appear in duty statements of the latter department.

388. We examined witnesses representing the Department of Shipping and Transport regarding relationships between the two departments. We were informed that while there is no clear definition of the duties of the Department of Shipping and Transport and the Department of Trade and Industry regarding exports in the shipping field, the procedures that have been evolved have worked well in practice and there is a fairly clear understanding of the functions carried out by each. He added that while minor misunderstandings had occurred between the two departments when they found they had commenced work in the same area, no major misunderstandings or difficulties had arisen.

Qs. 995 and 996

Chapter 13

Conclusions

389. The evidence tendered in Your Committee's inquiry shows that, while the Commonwealth has been concerned with marine, shipbuilding, rail and road transport for many years, it was not until 1951 that the Department of Shipping and Transport, charged with the administration of these functions, was created in its present name.

390. During the course of our inquiry in mid-1969, a major re-organisation took place in the central office of the Department located in Melbourne. The re-organisation resulted in the transfer of some senior officers to Canberra and involved a regrouping of certain of the Department's main functions, a strengthening of its top structure and the establishment of a policy group of fifty positions in Canberra. The transfer of the remainder of the Department's Central Office is not envisaged before 1973/74. Regarding the transfer of positions to Canberra in 1969/70, the admission was made in evidence that difficulties could arise in communication between the Canberra and Melbourne-based sections of the branches of the administration concerned and that it is essential that the officers of both groups within each of the branches, work along lines desired by the appropriate Assistant Secretaries. On the basis of its experience, Your Committee acknowledges the difficulties that could arise in this area. Every effort must be made to ensure that the efficiency of the Department is not impaired due to the geographical division of the central office between Canberra and Melbourne. (Paras. 66 to 74)

391. Your Committee is concerned that such a physical division of central control could result in a series of duplications of positions at many levels, a heavy cost arising from necessary departmental executive travel and added expenses arising from the need for constant communication between the two sections of the Central Office, all of which potential costs and expenses could have been avoided had it been decided to transfer the central office to Canberra in a single move. (Paras. 66 to 74)

392. In examining the legislation administered by the Department we found that penalties imposed under the Navigation Act, ranging from fines on seamen to those on ships putting to sea without certificates, and similar matters, have remained in the Act virtually unchanged for many years. In addition, the Act prescribes fines relating to matters which are no longer appropriate. We note that while the Department has been working in conjunction with the Parliamentary Counsel's staff for some time

in an effort to bring the penalties under the Navigation Act into line with current needs, little progress has been made with this work. (Paras 8 to 15)

393. Arising from the manner in which some of the Regulations made under the Navigation Act have been framed and the way in which cases have been presented by the Department and the Deputy Crown Solicitor, the Courts have experienced difficulty in deciding some cases where prosecutions have been launched. (Paras. 8 to 15)

394. While Your Committee notes that a system of priorities has been developed by the Department to revise these Regulations, we believe that the existing inadequacies in the Act and the Regulations point strongly to an urgent need for revision of this legislation. It is also clear from the evidence that there is a need for Regulations made under the Navigation Act to be reviewed on a continuous basis. (Paras 8 to 15)

395. Organisation and methods review work within the Department was examined closely by Your Committee. The evidence shows that the Inspection Sub-section of the Establishments Section of the Department has maintained a far reaching programme since its creation in 1965. (Paras 94 to 103)

396. However, such review work undertaken jointly by Officers of the Public Service Board and the Department prior to 1965 and the work undertaken by the Department's Inspection Sub-section during its first two years of operation reflect inadequacies in the Department's administration, some of which could well have existed for several years. (Paras 94 to 103)

397. We note that, in 1966, an investigation was undertaken to determine an alternate facility for the retention and referral of information contained on cards comprising the Central Register of Seamen employed in coastal shipping. Microfilm was adopted as a storage facility and a reader printer was acquired for referral purposes. We commend this action. However, the microfilm was, and evidently remains stored in a small drawer in the Central Office of the Department. Your Committee expects the Department to take steps to ensure that storage arrangements for such microfilm are adequate to prevent its destruction by fire, particularly as the microfilm facility has since been extended for use in the storage of business papers, minutes of meetings and records of the Australian Transport

Advisory Council and associated Committees: (Para. 98)

398. The evidence relating to Internal Audit in the Department shows that prior to 1966 this area of administration was unsatisfactory. Although some improvements were made in that year it was not until 1968, following a review by the Public Service Board into internal audit in all departments, that this function was placed on a satisfactory basis.(Paras.119 to 134)

399. We were pleased to note that, following his appointment in March 1969, the Inspector(Internal Audit)has engaged in the preparation of current audit procedures for the Central and Regional offices of the Department, which procedures include detailed programmes covering revenue,expenditure,supply, personnel and related functions of the Department. They also provide for regular audits of depots, stations and sub-stores located away from the capital cities. (Paras. 119 to 134)

400. Your Committee notes the claim made in evidence that, when fully staffed, the Internal Audit Section should achieve a significant improvement in standards and procedures and a high level of effectiveness in operation. We also note the Department's assurances that care will be taken to ensure that the effectiveness of internal audit is kept under close scrutiny and that top management is provided with an adequate and efficient internal reporting service. In view of the importance of internal audit to efficient administration,Your Committee would expect the Department to ensure that these claims and assurances are realised and that prompt action is taken to ensure the full staffing of this important Section.(Paras 119 to 134)

401. From its examination of the Department's control of stores and assets Your Committee is disturbed by the unsatisfactory situation that has existed for many years. The system that had developed in the Department was based on individual regional needs and significant differences had arisen between regions regarding the description of stores items. Difficulties in communication arose from confused descriptions. Unnecessary errors occurred in the results of stocktakes and in stores accounting. Stockholdings became inefficient and considerable difficulty was experienced in establishing the value and extent of stores holdings. Under that system the Department held obsolete lighthouse stores purchased many years previously while its holdings of stores currently required were inadequate. Although as early as 1950 the Central Office had compiled and published a brief document relating to stores procedures for regional office use, Your Committee notes with concern

that the document was not republished although some minor changes were made to the original document on several occasions. (Paras. 135 to 168)

402. Another disturbing feature of the Department's early stores arrangement is that it was not until late in 1962 that the need for a revised supply system became apparent. A further three years elapsed during which the supply system was reviewed and redesigned. Even as recently as mid-1969 the Department was still engaged in implementing its new supply system. Your Committee believes that the state of affairs obtaining in the Department's stores arrangements in recent years should not have been permitted to arise but, having arisen, should have been detected and rectified promptly. (Paras. 135 to 168)

403. Your Committee notes the claim made in evidence that from the view-point of higher management, the new stores arrangement, when fully operational, should provide:-

- (1) control data which it has not had in the past,
- (2) improved staff efficiency resulting from uniformity of working procedures and practices,
- (3) more effective use of available funds and
- (4) adequate safeguards against the misuse of stores.

In view of the Department's history in this area of administration Your Committee trusts that these claims will be substantiated without delay. (Paras 135 to 168)

404. Our examination of the Department's control of telephone facilities shows that the methods employed and problems experienced are consistent with those of the departments examined in connection with our One Hundred and Seventh Report relating to Subscriber Trunk Dialling Facilities (S.T.D.). Your Committee P.P. is concerned by the fact that witnesses representing the Department of Shipping No. 23 of 1969 and Transport were unable to discover any record of staff instructions relating to telephone usage having been issued by the Department prior to October 1965. Your Committee notes, however, that while the Department had issued a staff instruction in October of that year, relating to the control of telephone facilities in the context of subscriber trunk dialling, this instruction and subsequent instructions issued in connection with telephone usage made no reference to the unauthorised use of telephones for local calls or the improper use of telephones before or after office hours or during luncheon recesses. As the improper use of telephones can prove costly, Your Committee considers that the Department should issue an appropriate staff instruction covering

the use of telephones for use in all circumstances.(Paras. 169 to 184)

405. The evidence shows that for some years the Department has experienced difficulty in the local recruitment of Professional and technical staff for the Shipbuilding Division and the Lighthouse Services Section. While recruitment from overseas has assisted in the solution of these problems the Department has found it necessary to pay increasing attention to the provision of training facilities in Australia. For example, a position of trainee draftsman has existed in the Lighthouse Services Section of the Department since 1968 to ensure continuity of staffing. The occupant of the position is engaged in a Technical College course supplemented by "on-the-job" training in the detailed design of marine aids. More recently a new position of Trainee Engineer and five positions of Trainee Draftsman were added to the establishment of the Shipbuilding Division. It is proposed that these trainee draftsmen should undertake, with Commonwealth assistance, appropriate Degree, Diploma or Certificate courses, supplemented by "on-the-job" training. Your Committee commends the Department on its efforts in this regard. It trusts that the provision of these positions will contribute to the solution of recruitment problems in the areas concerned and that the Department will be able to develop these training schemes further at the earliest opportunity.(Paras 221 to 280)

406. The evidence indicates that the facilities available in Australia for formal training of nautical and marine engineering officers, particularly to the level of "Extra" qualifications are inadequate. Following representations made by the Company of Master Mariners and similar organisations, the Department has reviewed these facilities. It has also considered the question of whether a nautical academy should be established in Australia or alternatively whether greater opportunities for higher qualifications should be provided in Universities. Any delays in solving these questions can only aggravate existing difficulties. Your Committee believes, therefore, that these unresolved questions should be examined promptly by all of the parties concerned, including tertiary education institutions.(Paras. 260 to 262)

407. During our examination of the Department's revenue we noted that wide variations had occurred between estimated and actual miscellaneous revenue in most years between 1960-61 and 1969-70 and in some years actual miscellaneous revenue received reached significant levels. It appears from the evidence that the Department adopts the principle of according a separate

classification to recurring items of revenue whose value is such as to warrant separate identification. However, Your Committee found that there were items of revenue sufficiently significant to warrant separate classification in the years in which they occurred notwithstanding their non-recurrent nature. In these circumstances we feel that the Department should re-examine the principle adopted in the identification of these revenue items. (Paras. 306 to 308)

408. From our examination of the Department's expenditure we note that Section 86 of the Commonwealth Railways Act provides that the Commonwealth Railways Commissioner shall be entitled to reimbursement by the Treasury of the value of any pass over the railway issued by the Minister and the value of any special services ordered in connection with the railways by the Parliament or by the Minister. In view of the specific requirement under the Act that these reimbursements should be made by the Treasury, Your Committee would question whether it is proper for provisions for them to be made in a vote under the control of the Department of Shipping and Transport. (Paras. 334 and 335)

409. A further matter to which we would refer, arising from our examination of the Department's expenditure, relates to shortfalls that occurred in expenditure particularly in 1967-68 and 1968-69 under the Railway Standardisation (South Australia) Agreement and in 1968-69 under the Railway Agreement (Western Australia). We note the argument put forward by the Department that, under the terms of an agreement ratified by the Commonwealth and State Parliaments, the Commonwealth is obliged to provide funds requested by these States to carry out works proposed within the period. Therefore, any adjustment to the estimates proposed by the Department of Shipping and Transport must be agreed with the State authorities concerned. (Paras. 361 to 368)

410. In this regard we would invite attention to our examination of the Department of Shipping and Transport in 1965, in connection with substantial shortfalls that occurred in expenditure in 1964-65 under these Agreements. In our Report on that inquiry we expressed the view in connection with expenditure under the Railway Agreement (Western Australia) that, in future, the amount to be provided initially each year should be limited to a more realistic level and that, in the event of the State's expenditure reaching this estimated level, additional funds should be made available either in the Additional Estimates or from the Advance to the Treasurer if the need for extra funds is not demonstrated in time for their inclusion in the Additional Estimates. (Paras. 361 to 368)

411. In the subsequent Treasury Minute on that Report we were informed that under the Railway Standardization (South Australia Agreement Act 1949 and the Railway Agreement(Western Australia)Act of 1967 1961 the prime responsibility for the preparation of estimates rests with the States. It was indicated, however, that the Department would continue to impress upon the State authorities the Commonwealth's desire that the amounts included in the Commonwealth's Budget Estimates should be a realistic assessment of the amount that will need to be paid to the States in accordance with the Agreements in the financial year. The Treasury Minute added that, under an agreement ratified by the Parliament the Commonwealth is obliged to provide funds required to carry out certain work. The States would be informed when each year's estimates are being discussed that, should the best possible estimate that can be made at the time of formulation of the Commonwealth Budget prove later in the financial year to be insufficient, the Commonwealth will be prepared to seek in the Additional Estimates further amounts for payment to the States. (Paras. 361 to 368)

412. While Your Committee agrees with the Department of Shipping and Transport that any adjustment which it proposes to the estimates relating to these Agreements must be agreed with the State Authorities concerned, we believe that when the Original Estimates are under consideration each year, those authorities should continue to be reminded of the availability of Additional Estimates within the Commonwealth financial framework. (Paras. 361 to 368)

413. During our inquiry we were informed of the recent moves from within Australia to enter into international shipping. As these developments involved both the Department of Shipping and Transport and the Department of Trade and Industry we were told of the close liaison that has existed for some time between these two departments. In these circumstances we sought specific evidence from the Department of Trade and Industry regarding the factors that gave rise to a shipping organisation within its structure. (Paras. 372 to 388)

414. We have related that evidence to work undertaken in recent years by the Transport Development Section of the Department of Shipping and Transport and to the re-organisation that occurred in that Department during our inquiry in mid-1969 involving the creation of a Transport Policy Division comprising a land Transport Branch, a Sea Transport Branch and a Special Projects and Research Branch. (Paras. 372 to 388)



415. It appears that the creation of the present Exports Transportation Branch within the Department of Trade and Industry was due partly to the introduction of container shipping and its direct inter-relation with land transport operations as well as the special problems that could arise for certain commodities in a changeover from conventional shipping to container operations. (Paras. 372 to 388)

416. Your Committee believes that, in view of its new organisation which implies a strong policy connotation, the Department of Shipping and Transport should move to a greater extent into the field of co-ordination of transport and transport developments and should provide greater assistance in the development of policies to ensure maximum efficiency of transport at minimum cost. (Paras. 372 to 388)

417. Your Committee also believes that as part of that development and to avoid possible duplication of professional and technical effort, the Department of Shipping and Transport could now assume direct responsibility for some functions which, in recent years, have been undertaken by the Exports Transportation Branch of the Department of Trade and Industry. At the same time Your Committee is mindful of the need for both of these departments and other departments concerned with aspects of transport and the promotion of exports to continue to work closely together in areas of mutual interest. Your Committee believes that if these objectives are realised a considerable saving could be achieved in the public interest. (Paras. 372 to 388)

For and on behalf of the Committee,

*David N. Reid*

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

1 September, 1970.

*Don Dobie*

DON DOBIE  
Chairman

*Ivy Wedgwood*

List of Exhibits

<u>Exhibit No.</u>	<u>Title</u>
1.	Submission on History of the Department.
2.	Submission on Acts and Regulations administered by the Department.
3.	Submission on Organisation and Functions.
4.	Submission on Staff Recruitment and Training.
5.	Submission on Internal Audit.
6.	Submission on Maintenance and Control of Stores and Assets.
7.	Submission on Estimated Expenditure (including additional estimates) and Actual Expenditure, by Division,Sub-Division and Item for financial year 1961-62.
8.	Submission on Staff and Establishment
9.	Exports Transportation Branch(Submission by the Department of Trade and Industry)
10.	Supplement to Overseas Trading Vol.18,No.11,June 10,1966, - Containerisation Shipping Conference Report,May 9-12,1966.
11.	Workshop on Wool Transport-Canberra, August 24-25,1967.
12.	Shipping and the Departments of Commerce and Agriculture and Trade 1947-1960.
13.	Submission on Estimated Receipts and Actual Receipts Under Heads of Revenue for Each of the Financial Years 1961-62 to 1967-68,inclusive.
14.	Submission on Controls Exercised by the Department over the use of Telephone Facilities, with Particular Reference to Trunk Calls and S.T.D.
15.	Submission on Formal Prosecution Action taken in Relation to Legislation Administered by the Department each year from 1961-62 to 1967-68 Inclusive.
16.	Supplementary Submission on Organisation and Functions.
17.	Supplementary Submission.
18.	Supplementary Submission.

History

Marine Activities

Transport responsibilities originally accepted by the Commonwealth Government, were administered by the Department of Trade and Customs. The provision of aids to sea navigation, provided for in the Lighthouses Act 1911, became operative by proclamation on 1 July 1915. The Navigation Act, passed in 1912 and implemented by proclamation in 1920, provided for the assumption of further responsibilities by the Commonwealth Government for safety aspects of shipping including the assurance that ships be manned by qualified, experienced seamen and surveyed to a standard which ensures construction and maintenance to seaworthy standards. At the same time the Commonwealth Government assumed responsibility for the regulation of interstate and overseas shipping around the Australian Coast. Exhibit 121/1

A Lighthouse Branch was established in 1915 within the Department of Trade and Customs to provide marine aids to navigation. The Branch was known locally as the Commonwealth Lighthouse Service. A Navigation Branch was established within that Department in 1920. The Commonwealth Lighthouse Services and Navigation Services were amalgamated in 1927 to form a Marine Branch within the Department of Trade and Customs. Exhibit 121/1

The Marine Branch of the Department of Trade and Customs was transferred to the Department of Transport in 1930 and subsequently in 1932, to the Department of Commerce. The Marine Branch was transferred to the newly established Department of Supply and Shipping in 1942. Exhibit 121/1  
and Q.9

In 1948 the functions of the Department of Supply and Shipping were included in a regrouped Department of Supply and Development. It was stated that the re-grouping of functions at that time resulted in the abolition of the Department of Munitions and the Department of Supply and Shipping, and the establishment of the Department of Supply and Development. Exhibit 121/1  
and Q.10

A regrouping of departmental functions in 1950

resulted in the abolition of the Department of Transport and the Department of Supply and Development and the establishment of a Department of Fuel, Shipping and Transport. The new Department incorporated the Commonwealth transport and marine functions. The new department was also given responsibility for the Commonwealth interest in liquid and solid fuels. In 1951 the functions of the Fuel Section of the Department of Fuel Shipping and Transport were transferred to the Department of National Development and the name of the former Department was changed to that of the Department of Shipping and Transport. It was said that the re-grouping of functions in 1950 was designed to allow for the establishment of the Department of National Development.

Shipping and Shipbuilding Activities

In 1916 the Commonwealth Government purchased ships and established the Commonwealth Line in order to cope with the transport problems of primary products. The Commonwealth Line was sold to British Shipping interests in 1928. A Shipping Control Board was established in 1939 under National Security Regulations. The function of this Board, in a wartime situation, was the operation of shipping on behalf of the Government. At a later stage the Board was also responsible for the construction of ships. The Australian Shipbuilding Board was established in 1941 under National Security Regulations.

Exhibit 121/1

Exhibit 121/1  
and Q.12

The Shipping and associated functions of the Department of Commerce and Agriculture, the Marine Branch, and the Shipping Control Board, were transferred to the Department of Supply and Development in 1942. The Department of Supply and Development was then abolished and the Shipping functions were included in the functions of a new Department of Supply and Shipping. These changes were made because of increased wartime activities. The functions of the Shipping Control Board and other related committees and authorities which were operative prior to their amalgamation in the Australian Shipping Board are given below.

Exhibit 121/1  
and Q.13

. Shipping Control Board.

Exhibit 121/1

The Shipping Control Board was required to establish control over Australian shipping with a view to its effective use in wartime and to require that ships and the services of ships be subject to direction, requisition and governmental control in the interests of the defence of the Commonwealth, or the most effective prosecution of the war.

The powers of the Shipping Control Board were:

- (i) To contract and take legal proceedings.
- (ii) To control shipping and for that purpose to make such orders and give such directions as it thought fit with respect to any matter relating to shipping and in particular with respect to -
  - (a) The trades in which any ship would engage and the voyages which any ship would undertake;
  - (b) The cargo or passengers, or classes of cargo or passengers, which any ship would carry;
  - (c) The hiring of any ship and the terms and conditions on which cargoes or passengers would be carried in any ship;
  - (d) The order of priority accorded to specified goods or classes of goods, for carriage to or between any port or ports;
  - (e) The ports at which cargo would be loaded or discharged or passengers embarked or disembarked (including directions requiring ships to proceed to specified ports for the purpose of loading or unloading cargo or embarking or disembarking passengers);
  - (f) The ports at which consignees of cargo would take delivery thereof; and
  - (g) the forms and conditions of bills of lading and passenger tickets.

. Ships Chartering Committee

The functions of this Committee were to charter, or arrange for the chartering of ships on behalf of the Commonwealth and to manage and operate, or arrange for the management and operation of ships placed under the control of the Committee.

Q.114 and  
Committee  
File 1969/3

. Central Cargo Control Committee

The functions of this Committee were to provide, in the interests of the defence of the Commonwealth and the more effective prosecution of the war, for the orderly and expeditious disposal of goods arriving by sea and the punctual delivery at the ship's side of goods for shipment, with a view to ensuring the speedy discharge and loading of ships. In addition, the Committee endeavoured to reduce the length of time that goods would lie at wharfs, in order to prevent congestion, confusion and delay at the waterside, and to make proper provision for the storage of other accommodation of goods.

Q.14 and  
Committee  
File 1969/3

. Marine Salvage Board.

The functions of this Board were to -

- (a) inquire into and ascertain the nature, whereabouts, ownership and practical usefulness of vessels, gear, equipment and facilities suitable for salvage operations on or from the Australian coast;
- (b) arrange in advance for the availability and the prompt and efficient employment of such vessels, gear, equipment and facilities in the event of a marine casualty;
- (c) determine what terms and conditions would govern the use or employment of such vessels, gear and equipment for salvage operations, and in particular in what manner and at what rates compensation or remuneration would be determined and payable;
- (d) appoint persons or authorities at such ports or places as the Board thought fit to represent the Board;

Q.14 and  
Committee  
File 1000/3

- (e) arrange for the prompt communication to those persons or authorities in the event of marine casualties;
- (f) arrange in advance for proper co-ordination among persons and authorities able to give salvage assistance, and, in particular, for the taking of immediate measures and for the obtaining of advice and instructions through any central or local authorities.

. Stevedoring Industry Commission

The functions of this Commission were to co-ordinate the use of labour, to control and regulate waterside work at stevedoring operations, and to ensure that adequate provision was made for the protection of waterside workers against injury.

The Australian Shipping Board was constituted by the amendment of the National Security (Shipping Co-ordination) Regulations 1945 and became operative on 1 January, 1946. The effect of the amendment was to combine in that Board, the functions previously carried out by the Shipping Control Board, the Ships Chartering Committee, the Central Cargo Control Committee, and the Marine Salvage Board. Under the amended regulations, the Stevedoring Industry Commission was removed from the jurisdiction of the Director of Shipping and became directly responsible to the then Minister for Supply and Shipping.

Exhibit 121/1  
Q.14 and  
Committee File  
1969/3

The objectives sought in establishing an Australian Shipping Board were first to secure economy in administration by concentrating in one organisation the various wartime functions that had been undertaken by separate authorities, and, secondly to bridge the gap between the wartime arrangements and the formulation and implementation of the Government's postwar plans for the shipping industries.

Q.14 and  
Committee  
File 1969/3

In 1951 the Shipbuilding function was transferred

Exhibit 121/1

Exhibit 121/1

from the Department of Supply to the Department of Shipping and Transport. In 1956 the Commonwealth Government decided to continue the operation of Commonwealth owned vessels, which had been commenced in wartime. In the same year the Australian Coastal Shipping Commission Act was passed establishing the Australian National Line as a Statutory Government enterprise.

Rail Transport

In 1911 the Kalgoorlie-Port Augusta Railway Act (Trans-Australian Railway) was passed and in the same year construction of the Port Augusta-Codnadata and Darwin-Pine Creek railways was commenced. The Federal Capital Territory railway was commenced in 1914 and in 1916 Commonwealth Railways was attached to the Department of Works and Railways.

Exhibit 121/1

The Commonwealth Railways Act was passed in 1917. The Administration of Commonwealth railways was transferred to the Department of Markets and Transport in 1928 and to the Department of the Interior in 1932. Railways remained under the administrative control of the Department of the Interior from 1932 until 1950 when it was passed to the then Department of Fuel, Shipping and Transport.

Exhibit 121/1  
Q.16 and  
Committee  
File 1969/3

The Commonwealth Land Transport Board was established in 1942 under the authority of the National Security Act 1939-1940. The Board was subsequently abolished and new directorates established by the amendment, in 1944, of the National Security (Land Transport) Regulations. The object of this action as described in the amending regulations was "to secure in the interests of the defence of the Commonwealth and the effectual prosecution of the war, the control by the Commonwealth of rail and road transport and for that purpose to provide that rail facilities, equipment and rolling stock and road services and vehicles shall be subject to control regulation and direction, and these regulations shall be administered and construed accordingly." The abolition of the Commonwealth Land Transport Board in 1944 was accompanied by a Government recommendation that a

Exhibit 121/1  
Q.18 and  
Committee  
File 1969/3



report be obtained on standardisation of railway gauges. Separate Directorates of Rail and Road Transport were subsequently established.

The railways function was linked with the Department of Fuel, Shipping and Transport in 1950. Standardisation of railway gauges was commenced in 1958 with the allocation of financial assistance for the change to standard gauge of the Albury-Melbourne line. The Melbourne-Albury Railway Standardisation projects was completed in 1962. Rail standardisation projects for Kalgoorlie to Kwinana (392 miles) and Broken Hill to Port Pirie (252 miles) were commenced in 1962-63. Exhibit: 121/1

Land Transport other than Rail

A Commonwealth Department of Markets and Transport was created in 1928 and in 1930 the name of the Department was changed to that of the Department of Transport. The functions of the Department of Transport were subsequently transferred to the Department of the Interior. Exhibit 121/1

A Department of Transport was created to meet wartime emergencies in 1941 and in 1942 the Commonwealth Land Transport Board was created under National Security Regulations to control, regulate and direct all land transport services. Exhibit 121/1

The Australian Transport Advisory Council was established in 1946 for the purpose of advising on transport policies. Because of a need for uniformity in transport legislation the Council established a co-ordinating and consultative panel of all transport Ministers as well as a number of Committees to co-ordinate traffic codes, motor vehicle standards, and road safety activities. Exhibit 121/1

The Department of Transport assumed responsibility for Commonwealth Aid Roads Legislation in 1947. Details of Commonwealth Aid Roads Legislation and administering authorities prior to that year were as follows:- Exhibit 121/1  
Q.21 and  
Committee  
File 1969/3

<u>Name of Act</u>	<u>Dept.Administering the Act</u>	<u>Period of Operation</u>
Main Roads Development Act. Act No.2 of 1923 Amending Acts No.5 of 1924 and No.17 of 1925	Dept.of Works and Railways	30/6/1923 to 30/6/1926
Federal Aid Roads Act - No.46 of 1926	Dept. of Works and Railways	1/7/1926 for a period of ten years.
Federal Aid Roads Act - No.22 of 1931	Dept. of Works and Railways to April,1932. Dept of Interior from April, 1932.	1/7/1931 for a period of five years and six months
Federal Aid Roads Act - No.63 of 1936	Dept. of Interior	1/1/1937 for a period of six months
Federal Aid Roads and Works Act - No.3 of 1937	Dept. of Interior to Nov.1938. Dept. of Works Nov. 1938 to April 1939. Dept. of Interior April 1939 to Feb.1945 Dept. of Works Feb.1945. to July 1945. Dept. of Works & Housing July 1945 to July 1947	1/7/1937 for a period of ten years.

Acts and Regulation Administered by  
The Department of Shipping and Transport

ACT

REGULATIONS

Australian Coastal Shipping  
Agreement Act 1956.

Australian Coastal Shipping  
Commission Act 1956-1969

Beaches, Fishing Grounds and  
Sea Routes Protection Act  
1932-1966 (Except Section 3).

Brachina to Leigh Creek North  
Coalfield Railway Act 1950-1952.

Commonwealth Aid Roads Acts,  
except to the extent to which  
these Acts are administered by  
the Treasurer.

Commonwealth Bureau of Roads Act,  
1964.

Commonwealth Railway Act, 1917-1968.

Explosives Act 1961-1966.

Grafton to South Brisbane Railway  
Act 1924-1930.

Kalgoorlie to Port Augusta  
Railway Act 1911-1950.

Leigh Creek North Coalfield to  
Marree (Conversion to Standard  
Gauge) Railway Act 1954.

Lighthouse Act 1911-1966.

Navigation Act 1912-1970

Fishing Grounds and Sea Routes  
Protection Regulations.

Explosives Regulations.  
Explosives Areas Regulations.

Lighthouses and Light Dues Regulations.

Cargo-Hazards Prevention.

Certificates of Service

Cinematograph Film

Collision

Compass

Complement of Officers

ACT

REGULATIONS

Construction  
Courts of Marine Inquiry  
Crew Accommodation  
Dangerous Goods  
Deck Cargo and Live Stock  
Direction-Finders  
Distressed Seamen  
Examination of Engineers (1926)  
Examination of Engineers (1964)  
Examination of Masters and Mates  
Fees and Allowances of Members of  
Committees  
Fire Appliances  
General Amendments  
Grain  
Health  
Hospital Accommodation  
Life-saving Appliances  
Limited Coast-Trade Voyages  
Loading and Unloading - Safety Measures  
Load Lines  
Manning and Coasting Trade  
Marine Council and Committees of Advice  
Master and Seamen  
Miscellaneous Equipment  
Masters and Drills  
Nuclear Ships  
Passengers  
Pig Iron, Coal and Ballast

ACT

REGULATIONS

Radio  
Rating of Seamen  
River Murray Traffic  
Sight Tests for Apprentices  
Signals of Distress, Urgency Signals  
and Danger Messages  
Survey  
Supplementary  
Watertight Doors and Scuttles  
Wrecks and Salvage

Northern Territory Railway  
Extension Act 1923-1950.

Oodnadatta to Alice Springs  
Railway Act 1926-1950.

Pine Creek to Katherine River  
Railway Act 1913-1950.

Pollution of the Sea by Oil  
Act 1960-1965.

Port Augusta to Alice Springs  
Railway (Alteration of Route)  
Act 1950.

Port Augusta to Port Pirie  
Railway Act 1935-1950.

Port Augusta to Whyalla Railway  
Railway Act 1970.

Railway Agreement(Western  
Australia) Act 1961.

Railway Agreement(New South  
Wales)Act 1968.

Railway Agreement(New South  
Wales and South Australia)  
Act 1968.

Railway Equipment Agreement  
(South Australia) Act 1961.

Railway Standardization(New  
South Wales and Victoria)  
Agreement Act 1958.

Pollution of the Sea by Oil Regulations

ACT

REGULATIONS

Railway Standardisation (South  
Australia) Agreement Act 1949.

Railways (South Australia)  
Agreement Act 1926.

Sea-Carriage of Goods Act 1924.

Seamen's Compensation Act 1911-1970

Seamen's War Pensions and Allowances  
Act 1940-1969 (except to the extent  
to which it is administered by the  
Minister for Repatriation).

Seat of Government Railway Act 1928.

Stirling North to Brachina Railway  
Act 1952-1954.

Submarine Cables and Pipelines  
Protection Act 1963-1966.

Supply and Development Act 1939-1966,  
so far as it related to the building  
repair and maintenance of merchant  
ships; the building, extension,  
operation repair and maintenance,  
of shipyards, dry-docks, and  
facilities for the repair of merchant  
ships; research in relation to matters  
connected with or incidental to the  
building of merchant ships; the  
requisitioning, and the acquisition  
whether compulsory or otherwise,  
of ships required for purposes of  
defence; and the payment of  
compensation for any loss, injury  
or damage suffered by any person  
by reason of anything done in  
relation to the requisitioning  
or compulsory acquisition of  
ships for purposes of defence.

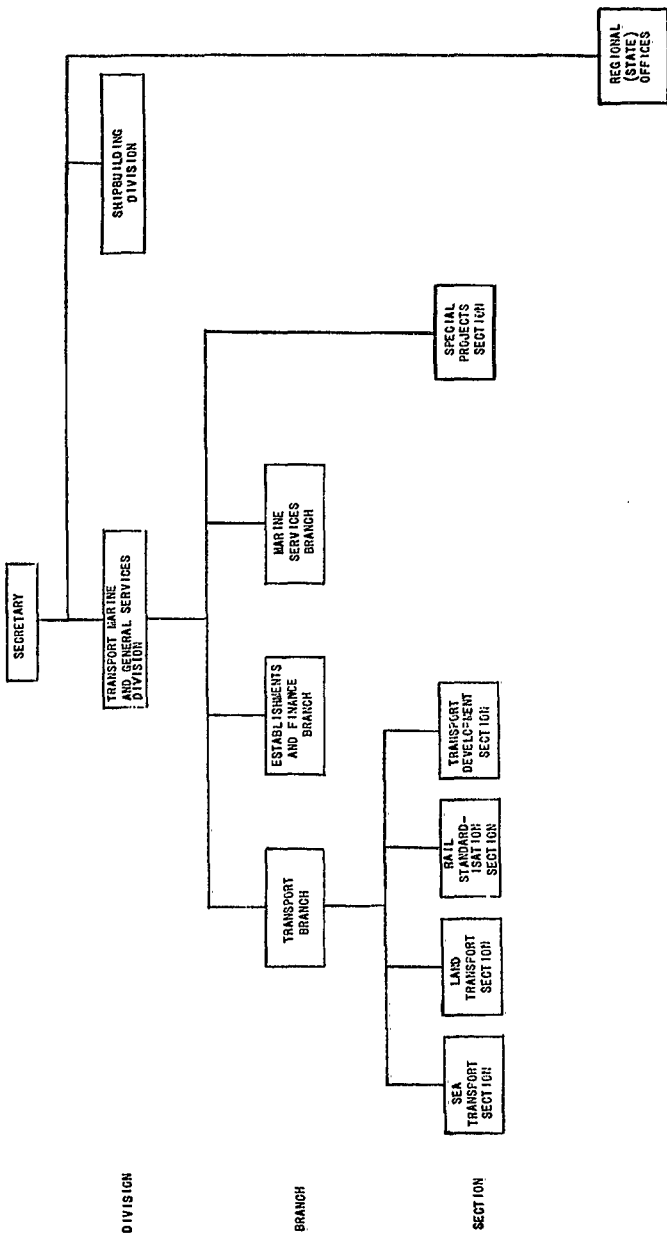
Seamen's Compensation Regulations

Seamen's War Pensions and Allowances  
Regulations

Customs (Prohibited Imports)  
Regulations, so far as they relate  
to the import of Ships.

Source: Department of Shipping and Transport.

FUNCTIONAL STATEMENT - DEPARTMENT OF SHIPPING AND TRANSPORT  
(Prior to July, 1969)

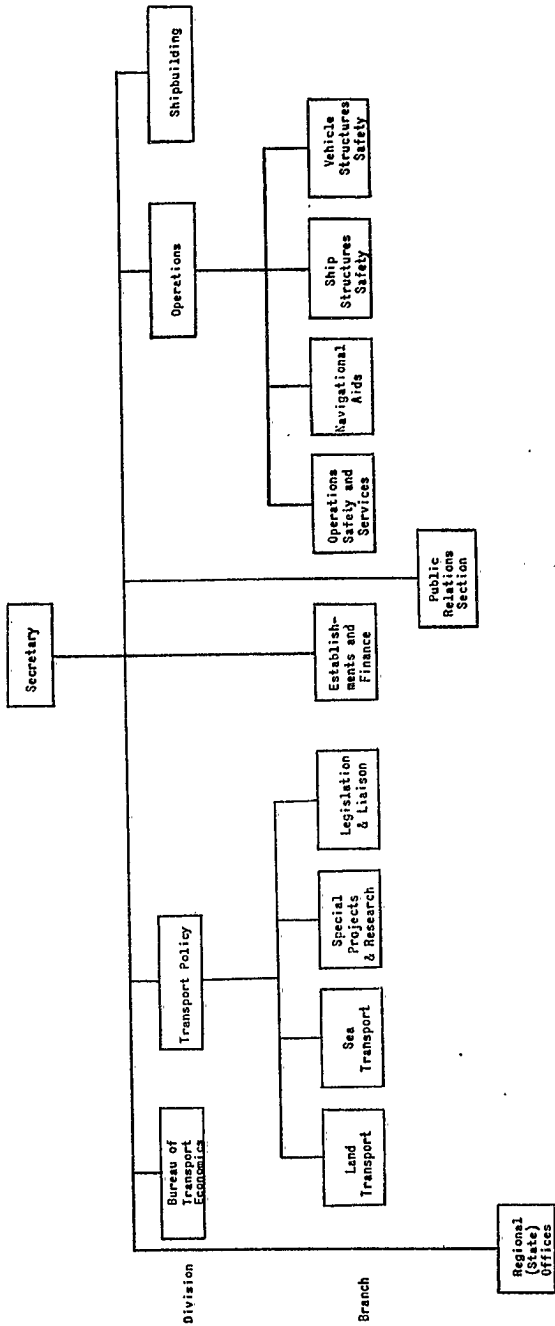


DIVISION

BRANCH

SECTION

FUNCTIONAL STATEMENT - DEPARTMENT OF SHIPPING AND TRANSPORT  
(July, 1969)





Functional Committees of the Australian Transport Advisory Council

Although the Australian Transport Advisory Council was formally established in 1946 the initial meeting of the Council was not held until January 1947. At this first meeting working committees were established to make recommendations to the Council in regard to road safety, road motor vehicle standards, existing transport laws in each State, and interstate tourist traffic.

- (i) Australian Road Safety Council  
    . Original Role and Composition

The Council was established in May 1947, originally to conduct nation-wide educational and public relations campaigns.

Its membership was a Chairman nominated by the Commonwealth, five representatives from each State and six Commonwealth representatives.

- . Present Functions and Composition

The Council, since 1960, examines all aspects of road accident problems. Its functions are to advise the Australian Transport Advisory Council and other organisations concerned with road users, vehicles and the environment regarding all aspects of road accident problems, so that appropriate action can be taken which could lead to a reduction in the incidence of road accidents, fatalities and injuries; to recommend programmes of public education, aimed at improving the knowledge, skills, attitudes and practices of all road users, and assist other organisations concerned in this field; to investigate and report to the Australian Transport Advisory Council on specific road safety problems and, where necessary, establish its own sub-committees to investigate and report on aspects not being undertaken by others or to augment the work being done by other organisations; to act as a focal point for the collection, analysis, evaluation and dissemination of statistical data on road accidents (through analysis and evaluation, the Council should highlight those areas or aspects which are susceptible to improvement and take action if possible, or bring the facts to the attention of the appropriate body); and to initiate or recommend research on road safety, including the evaluation, in economic or other terms, of possible steps to reduce road accidents.

The Council was reconstructed in 1960 with the object of making it a more workable body. Government representation was reduced to one from each State and Territory and an independent chairman was appointed. Council now consists of the Chairman, three Commonwealth representatives, eight State and Territorial representatives, four representatives of national non-governmental organisations associated with road transport and the motor industry and six members who are specialists in the various fields associated with accidents and road safety, such as road traffic engineering and research, law enforcement, medical research and statistics.

(ii) Advisory Committee on Vehicle Performance  
(Weights, Dimensions and Operating Standards)

. Original Role and Composition

The Committee was established in January, 1947, as the Australian Motor Vehicle Standards Committee, to advise on standards for motor vehicle construction, equipment and performance, particularly relating to dimensions, weights, braking and lighting efficiencies, with a view to improving road safety and obtaining uniformity of traffic legislation.

Its membership was a Chairman nominated by the Commonwealth, one representative from each State except Victoria, which had three representatives, and six non-governmental representatives.

. Present Functions and Composition

In February 1970 the Committee was re-constituted as the Advisory Committee on Vehicle Performance (Weights, Dimensions and Operating Standards) with the function of advising on the on-road standards and equipment of motor vehicles and their loads.

The Committee's membership now consists of a Chairman nominated by the Commonwealth, eight State and Territorial representatives, two representatives from the Australian Road Transport Federation, (a freight operator and a passenger operator), representatives from the Chamber of Automotive Industries, (a motor vehicle design engineer), the Australian Automobile Association, (a private road user), the Society of Automotive Engineers, the Transport workers' Union the City Transit Conference, (a bus expert), and the National Association of State Road Authorities.

(iii) Advisory Committee on Road User Performance and Traffic Codes

. Original Role and Composition

The Australian Road Traffic Code Committee was established in 1947 to draft recommendations for uniform road traffic laws throughout the Commonwealth, in keeping with modern traffic requirements and road safety.

Its membership consisted of two Commonwealth representatives, five representatives from each State and three non-governmental representatives.

The Committee on Driver Improvement was established in 1963 to examine the various arrangements operating throughout the States and Territories for the promotion of driver improvement and road safety through licensing and enforcement, and to report to the Australian Transport Advisory Council on the policy and procedures best suited to Australian conditions.

Its membership consisted of a Chairman nominated by the Commonwealth and the eight governmental members of the Australian Road Traffic Code Committee.

. Present Functions and Composition

In February 1970 these Committees were re-constituted as the Advisory Committee on Road User Performance and Traffic Codes. The Committee's function is to review and advise on the ways of achieving improvement in road user performance and to advise on the uniform National Road Traffic Code.

The Committee's membership now consists of a Chairman nominated by the Commonwealth, eight State and Territorial representatives and representatives from the Australian Automobile Association (a private road user), the Australian Road Transport Federation (a transport operator), the Federal Chamber of Automotive Industries (a vehicle manufacturer), the Transport Workers' Union of Australia, the Law Council and the National Health and Medical Research Council (a medical practitioner).

(iv) Advisory Committee on the Transport of Dangerous Goods

. Original Role and Composition

The Australian Dangerous Goods Transport Committee was established in 1960 to examine and report to the Australian Transport Advisory Council on

various aspects of the transport of dangerous goods having an international or Australia-wide application; to examine and report on United Nations Committee of Experts proposals for a uniform system of classification and labelling of dangerous goods and reports by any other international agencies; and to report on safety aspects of the transport of dangerous goods and collect and circulate information on this and other aspects of its functions.

The Committee's membership consisted of a Chairman nominated by the Commonwealth, seven other Commonwealth and eight State representatives, one representative from the National Health and Medical Research Council and one from the Standards Association of Australia.

. Present Functions and Composition

In February 1970 the Committee was re-constituted as the Advisory Committee on the Transport of Dangerous Goods, to advise on a uniform code relating to the transport of dangerous goods.

The Committee's membership now consists of a Chairman nominated by the Commonwealth, five State representatives and representatives of the Railway Conference, the Australian Port Authorities Association, the Commonwealth Explosives Transportation Committee, the Departments of Civil Aviation, Customs, Supply, Labour and National Service, Interior and Health, (the Principal Medical Officer of the School of Public Health and Tropical Medicine), the National Health and Medical Research Council and the Standards Association of Australia. The Commonwealth nominee is an officer of the Operations, Safety and Services Branch of the Department of Shipping and Transport.

(v) Advisory Committee on safety in Vehicle Design

. Original Role and Composition

The Australian Motor Vehicle Design Advisory Panel was established in July, 1965, to initiate investigations on its own behalf and to accept assignments from the Australian Motor Vehicle Standards Committee for the investigation of motor vehicles and their component parts and accessories, with a view to reducing road deaths and minimising the extent and severity of road accident injuries to occupants or other road users and pedestrians by the production of a safer road vehicle. The Panel examined safety features adopted overseas to determine their applicability to Australian conditions and, where appropriate, these were suitably amended and recommended

for incorporation in Australian vehicles.

The Panel's membership consisted of a Chairman nominated by the Commonwealth, a statistical officer, a medical practitioner, a person experienced in aircraft accident investigation and with engineering experience in human engineering, an engineer engaged in vehicle research, an engineer suitably qualified and experienced in the mechanical design of vehicles and currently engaged in motor vehicle design, an engineer suitably qualified and experienced in the body design of vehicles and currently engaged in motor vehicle design, a person suitably qualified and experienced in the production of vehicles, and the Chairmen of the Australian Motor Vehicle Standards Committee and the Australian Road Safety Council.

. Present Functions and Composition

In February 1970 the Panel was re-constituted as the Advisory Committee on Safety in Vehicle Design, with the function of advising on safety standards in respect of design of motor vehicles.

The Committee's membership now consists of a Chairman nominated by the Commonwealth, and representatives of the Road Research Board (an ergonomics expert), the National Health and Medical Research Council (a medical practitioner), the Institute of Engineers, Australia (a research engineer) and the Chamber of Automotive Industries (a mechanical design engineer, a body design engineer and a production engineer). The Commonwealth nominee is an officer of the Vehicle Structures Safety Branch of the Department of Shipping and Transport.

(vi) Road Tourist Services Committee

This Committee was constituted to consider matters relating to road tourist transport. It met once in 1947 and has now lapsed.

(vii) Road Standards Committee

This Committee was constituted in 1947, met once in 1947 and has now lapsed.

Source: Department of Shipping and Transport

Transport Development Research

We were informed that during the period June 1967 to June 1969 the Transport Development Section of the Department had engaged in the following economic research projects.

Exhibit  
121/17  
and Q.163

. Australia-Britain/Europe Liner Trade

This study was undertaken because the Department was aware of the interest of the Department of Trade and Industry in containerisation. A feasibility study was undertaken by the Transport Development Section of possible Australian participation in the Australia-Europe liner trade. The aims of the study were to investigate the potential results of the operation of Australian owned and registered ships in the Australian-British/Continent cargo liner trade, making suitable assumptions regarding freight rates, cargoes, costs and shipping arrangements and to examine the opportunities for profitable operation of Australian owned and registered vessels within the framework of current and likely future conference arrangements.

Exhibit  
121/17  
and Q.1138

We were informed that in conducting this survey, which involved approximately twenty-two man months of work, the Transport Development Section made an assessment of the proportion of the trade that was containerable, examined different fleets, different combinations of numbers of container ships, numbers of conventional ships and numbers of Scandia ships in an effort to arrive at an optimal fleet. The survey also included an examination of voyage accounts and an assessment of the profitability of operation to be obtained from such a fleet in the carriage of cargo from Australia to Britain and Europe and return cargoes.

Exhibit  
121/17  
and Q.1138

It was stated that during the survey the Department of Trade and Industry co-operated by supplying much of the necessary data relating to quantities of goods involved in movement between Australia and Britain and Europe and forecasts of Australian exports. At the same time the Department of Trade and Industry drew for its own purposes on the material developed by the Transport Development Section.

Qs.1140 and  
1146 to 1151

. Australia-Japan Liner Trade

We were informed that the Department had reason to believe that Australia might contemplate participation in this trade and that information would be required regarding the profitability of different types of ships. In particular the Australian National Line was interested in entering the trade, not with container ships but with ships of the "roll-on/roll-off" type. Estimates of liner cargo movements were made and voyage accounts for conventional, container and "roll on/roll off" vessels were prepared. In addition the question of overtonnaging was examined. The results of the survey, which involved nine man-months, were used as background material. It was stated that eventually a decision was made to enter this trade with "roll on/roll off" ships based in part on this study.

Exhibit  
121/17  
and Qs. 1154 and  
1155

. Containerisation

We were informed that a series of studies, involving five man-months has been undertaken dealing with the effects of containerisation on Australian overseas and domestic transport.

Exhibit  
121/17

. Coastal Shipping - General

Several studies covering seven man-months were undertaken of aspects of Australian shipping, including the composition of the Australian coastal fleet, the pattern of demand for coastal shipping and the age structure of officers of the Australian Merchant Marine.

Exhibit  
121/ 17

. Bulk Shipping

We were informed that about twenty studies involving eleven man-months were undertaken into the costs of shipping dry and liquid bulk cargoes in Australian coastal and overseas trades and of the characteristics of the bulk cargo fleet and of specific bulk cargo trades. These studies were directed mainly at assessing the economics of voyage operations.

Exhibit  
121/ 17  
and Qs. 1157  
and 1158

. Shipping Freight Rates

Studies involving six man-months were undertaken of the effects of certain events such as the closure of the Suez Canal, Sterling devaluation and the introduction of specialised vessels, on freight rates in certain overseas trades.

Exhibit  
121 / 17

. Financial Aid to Shipping and Shipbuilding

Background papers, involving eleven man-months of work were prepared on the financial aid to shipping and shipbuilding in major maritime countries.

Exhibit  
121 / 17

. Shipbuilding

Studies involving seven man-months were undertaken into special aspects of the shipbuilding industry in Australia and overseas countries, connected mainly with the output of the industry.

Exhibit  
121/17

. Special Design Vessels

Papers were prepared involving three man-months of work on the economic aspects of operating special design vessels such as hovercraft in Australia.

Exhibit  
121 / 17

. Ports

Ten surveys involving seven man-months of work were undertaken into the characteristics of trade through principal Australian ports and of certain specialised ports.

Exhibit  
121/ 17

. ECAFE Studies

We were informed that briefing material has been prepared for ECAFE covering various aspects of Australian transport. Three man-months of work were involved.

Exhibit  
121 / 17

. Land Transport Costs.

It was stated that nine papers involving nine man-months of work had been prepared relating to aspects of land transport costs and freight concessions with special reference to the transport of rural commodities. These had arisen from queries made by the Minister or from Commonwealth Railways or

Exhibit  
121 / 17  
and Qs. 117<sup>4</sup>  
to 1180



from the Department of Trade and Industry.

. Transport Statistics

It was stated that apart from analysing transport statistics from other sources, the Section has been involved in the collection and collation of statistics on specific aspects of transport. Several papers were produced covering general transport statistics as well as specific aspects such as the traffic task and interstate road freight movements. This involved twenty-nine man-months of work. Exhibit 121 / 17

. Expenditure on Transport.

An analysis involving five man-months of work, had been made of the expenditure on Transport based on information in the National Accounts and from other sources. Exhibit 121 / 17

. Transport Co-ordination and National Planning

A study, involving eight man-months of work was made into the operation of transport policy in Australia and certain overseas countries. Exhibit 121 / 17

. Urban Transport

We were informed that a study involving ten man-months had been made of public passenger transport in Melbourne in order to determine parameters for the profitable operation of rail and tramway systems. Exhibit 121 / 17

. Roads and Road Finance.

It was stated that studies involving six man-months had been made into specific aspects of road finances including such problems as matching grants in Commonwealth Aid Roads Legislation and the sources of State finance for roads purposes. We were informed that these studies had been undertaken to provide background material to assist in the formulation of policy associated with the re-enactment in 1969 of the Commonwealth Aid Roads legislation. Exhibit 121 / 17 and Qs. 1184 to 1188

It was said that road and road finance research work undertaken by the Transport Development Section was complementary to work undertaken by the Commonwealth Bureau of Roads and was based on detail supplied by the Bureau. The witness considered that no overlapping occurred between research conducted by the Department and by the Bureau. He added that the Department's function in this area relates to policy regarding roads in the context of a complete policy for all modes of transport whereas the Bureau is confined to studies in roads and roads financing.

Qs. 1184 to  
1188

Source: Department of Shipping and Transport.

<u>Report</u>	<u>Advice to Top Management</u>	<u>Action Taken</u>
	<u>Central Office</u>	
1965 August	. Weakness in control of films held for the ATAC.	Transfer of responsibility to library, introduction of accession list and loan register.
1966 December	. Deficiency in facility and procedures for recording receipt of Credit Notes.	Appropriate Register introduced.
1967 April	. Problem in recording of recoverable components in official telephone accounts (private residences).	Separate Register established.
1968 January	. Too frequent reimbursement of a particular Petty Cash advance.	Advance increased to an amount sufficient for 2 weeks supply based on past activities.
	<u>Victoria Region</u>	
1967 September	. Strengthening of internal check of leave records because of high error rate.	Implemented.
	. Requirement for increment schedule to be introduced.	Implemented.
1968 June	. Centralisation of leave records desirable obviating duplication of work at Pt Wilson.	Implemented.
	. Duplication of Forms TF11 (Requisition for Stores) unnecessary.	Recommendation to discontinue adopted.
	<u>New South Wales Region</u>	
1964 April	. Need for communication procedures between C.O. and Regions on cancellation of Department of Supply vehicles where appropriate.	Procedures tightened up.
	. Volume of mail such as to require Stamp Franking Machine.	Provided.
	<u>Western Australia Region</u>	
	Nil	
	<u>South Australia Region</u>	
	Nil	
	<u>Queensland Region</u>	
	Nil	

Department of Shipping and Transport  
Schedule of Training Courses  
 (1964-1969)

1964

(a) Departmental Training Courses Conducted - Nil

(b) Courses conducted by other authorities attended by Departmental officers

(i) Public Service Board Courses

Title	Number of Courses	Departmental Officers Attending	Course Duration (in days)
Induction Course	7	7	2½-5 days
Programme Evaluation and Review Technique/Critical Path Scheduling	1	3	1 day
Regional Management	2	2	10 days

(ii) Other Courses

Sponsoring Authority	Title	Number of Courses	Departmental Officers Attending	Course Duration (in days)
Melbourne Institute of Technology	Electric Arc Welding	1	2	6 days
P.M.G. Department	Radio Beacon	1	3	20 days
Metropolitan Fire Brigade Sydney	Fire Control	1	10	½ day
Commonwealth Police	Training for Escort Officers	1	2	½ day

1965

(a) Departmental Training Courses Conducted - Nil

(b) Courses conducted by other authorities attended by Departmental officers

(i) Public Service Board Courses

Title	Number of Courses	Departmental Officers Attending	Course Duration (in days)
Induction Course	10	17	2½-5 days
Value Analysis Appreciation	1	1	2 days
Work Sampling	1	1	2 days
Second Division Seminar (Assistant Secretaries' Conference)	1	1	10 days
Regional Management	2	2	10-14 days
Staff Clerks' Training	3	4	5 days
Supervision	1	1	8 days
Induction Course (Fourth Division)	2	2	2 days

(ii) Other Courses

Sponsoring Authority	Title	Number of Courses	Departmental Officers Attending	Course Duration (in days)
Evans Deakin Pty Ltd	Welder Training	1	3	2 days
P.M.G. Department	Applied Electricity I and II	1	4	20 days
P.M.G. Department	Basic Radio	1	2	15 days
P.M.G. Department	Advanced Radio	1	3	10 days
Commonwealth Police	Training for Escort Officers	2	5	½ day

1966

(a) Departmental Training Courses Conducted

Title	Number of Courses	Departmental Officers Attending	Course Duration (in days)
Induction (Fourth Division)	2	13	8 days (part time)
Induction (Third Division)	2	21	6-9 days (part time)
SEATO Ports and Harbours Administration	1	12	5 days
Coaching for Fourth Division Examinations	1	15	Part time

(b) Courses conducted by other authorities attended by Departmental officers

(i) Public Service Board Courses

Title	Number of Courses	Departmental Officers Attending	Course Duration (in days)
Mathematical Techniques	2	2	2-3 days
Regional Management	4	5	10-15 days
Induction (Third Division)	5	6	3-10 days
Staff Clerks' Training	1	1	5 days
Supervision	2	2	5 days

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(ii) Other Courses

Sponsoring Authority	Title	Number of Courses	Departmental Offices Attending	Course Duration (in days)
Civil Defence School (Victoria)	Civil Defence	1	1	7 days
Melbourne Institute of Technology	Electric Arc Welding	1	3	6 days
Australian Fire Protection Association	Fire Protection	1.	1	2 days
P.M.G.	Shotfiring	3	3	37 days
Evans Deakin Pty Ltd	Welder Training	1	3	2 days
P.M.G. Department	Basic Radio	1	2	15 days
P.M.G. Department	Applied Electricity	1	6	20 days
P.M.G. Department	Advanced Electrical, Radio, Transistor	1	3	20 days
Able Welding Co.	Welding	1	4	$\frac{1}{2}$ day
Metropolitan Fire Brigade, Sydney	Fire Fighting	1	10	$\frac{1}{2}$ day
Commonwealth Police	Training for Escort officers	3	4	$\frac{1}{2}$ day
P.M.G. Department	First Line Supervisors	1	1	6 days
Department of Works	Works Budgeting Administrative Procedures Course	1	5	1 day
Department of Supply	Foreman and Technical Supervisor Training	1	1	5 days
Department of Supply	Induction	1	1	4 days

1967

(a) Departmental Training Courses Conducted

Title	Number of Courses	Departmental Officers Attending	Course Duration (in days)
Induction (Fourth Division)	2	13	8 days (part time)
Induction (Third Division)	4	18	3-9 days (part time)
Conference of Regional Controllers	1	6	4 days
Coaching for Fourth Division Examinations	1	12	Part time

(b) Courses conducted by other authorities attended by Departmental officers

(i) Public Service Board Courses

Title	Number of Courses	Departmental Officers Attending	Course Duration (in days)
Mathematical Techniques	1	1	3 days
Steno-Secretaries' Course	2	2	4 days
Interviewing Techniques	2	2	3 days
Training of Graduates for Clerical/ Administrative Duties (Induction Course and recall sessions).	3	5	1 year (part time)
Regional Management	4	4	10-14 days
Registry Training	2	1	5 days
Induction (Third Division)	4	4	3-5 days
Supervision	1	1	5 days
Induction (Fourth Division)	2	2	4 days



(ii) Other Courses

Sponsoring Authority	Title	Number of Courses	Departmental Officers Attending	Course Duration (in days)
Melbourne Institute of Technology	16 mm Projectionists	1	1	5 months (part time)
Dept of Labour and National Service	Occupational Hazards	1	1	5 days
Junior Chamber of Commerce	Containerisation	1	6	$\frac{1}{2}$ day
P.M.G. Department	Shortfiring	1	2	15 days
P.M.G. Department	Applied Electricity I and II	1	5	20 days
P.M.G. Department	Advanced Communications (VHF)	1	3	10 days
P.M.G. Department	Basic Communications (H.F.)	1	3	15 days
South Brisbane Automotive School	Diesel Theory and Application	1	8	10 days
Outboard Marine Pty Ltd, Sydney	Service Training Course - Outboard Motors	1	1	5 days
Metropolitan Fire Brigade, Sydney	Fire Fighting	1	10	$\frac{1}{2}$ day
Commonwealth Police	Training for Escort Officers	4	11	$\frac{1}{2}$ day
P.M.G. Department	Postal Procedures	1	1	5 days (part time)

1968

(a) Departmental Training Courses Conducted

Title	Number of Courses	Departmental Officers Attending	Course Duration (in days)
Head Lightkeepers' Course	3	27	6 days
Effective Writing	1	6	5 days
Fire Wardens' (Central Office)	1	20	1 day
Coaching for Fourth Division Examinations	1	11	Part time

(b) Courses conducted by other authorities attended by Departmental officers

(i) Public Service Board Courses

Title	Number of Courses	Departmental Officers Attending	Course Duration (in days)
Interviewing Techniques	4	6	1-3 days
Mathematical Techniques	1	1	4 days
Correspondence	1	1	5 days
Regional Management	4	5	10 days
Training of Graduates for Clerical/ Administrative Duties (Induction Course and recall sessions).	2	4	1 year (part time)
Works Budgeting	1	3	1 day
Induction (Third Division)	3	3	3 days

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(ii) Other Courses

Sponsoring Authority	Title	Number of Courses	Departmental Officers Attending	Course Duration (in days)
Melbourne Institute of Technology	16 mm Projectionists	2	2	5 months (part time) / 5 days
Outboard Marine Australia Pty Ltd	Outboard Motor Servicing (Basic; Ignition and Electrical; Gear box)	2	4	5-9 days
P.A. Management Consultants Pty Ltd	Programme Budgeting	1	3	1 day
RAEME Training Centre, Victoria	IARC (Amphibious Vehicles) Maintenance	2	3	10 days
P.M.G. (Brisbane)	Electrical/Electronics	1	7	27 days
Automotive School Brisbane	Diesel Theory	1	8	11 days
Commonwealth Police, Brisbane	Pistol Training	1	2	1 day
Melbourne Institute of Technology	Radar	1	1	10 days
State Electricity Commission of Vic.	Explosives	2	2	5 days
Department of Works (Brisbane)	Works Budgeting	1	2	1 day
P.M.G. Melbourne	Industrial Engineering	1	1	5 days
Department of Supply Melbourne	Supervisors	1	2	6 days
Department of Supply	Technical Supervisors and Foremen	1	2	7 days
P.M.G.	Use of Telephone Line Material	1	1	3 days
P.M.G. Department	Basic Electricity	1	5	20 days
P.M.G. Department	Advanced Electronics	1	5	15 days

(ii) Other Courses (cont.)

Sponsoring Authorities	Title	Number of Courses	Departmental Officers Attending	Course Duration (in days)
P.M.G. Department	Introduction to Electronics	1	5	15 days
South Brisbane Automotive School	Diesel Theory and Application	1	8	5 days
Commonwealth Police	Pistol Training for Escort Officers	5	10	$\frac{3}{4}$ -1 day
Commonwealth Treasury	A.D.P. Salary Implementation	1	3	1 $\frac{1}{2}$ days
School of Public Health and Tropical Medicine	Scientific Handling Methods	1	1	3 days
P.M.G. Department	Industrial Engineering	1	1	5 days

1969 (1st half)

(a) Departmental Training Courses Conducted

Title	Number of Courses	Departmental Officers Attending	Course Duration (in days)
Induction (Third and Fourth Divisions)	2	24	1 $\frac{1}{2}$ days
Orientation	1	12	1 day
Head Lightkeepers	3	30	5 days

(b) Courses conducted by other authorities attended by Departmental officers

(i) Public Service Board Courses

Title	Number of Courses	Departmental Officers Attending	Course Duration (in days)
Organisation, Establishment and Methods	3	3	10 days
Training Officers' Workshops	1	2	15 days
Training of Graduates for Clerical/ Administrative Duties (Induction Course and recall sessions).	3	5	1 year (part time)
Induction (Third Division)	2	2	3 days
Management Seminar	1	1	10 days
Interviewing Techniques	1	1	3 days
Basic Management	1	1	5 days
Work Simplification	1	1	3 days
Personnel Officers' and Staff Clerks' Training	1	1	3 days

(ii) Other Courses

Sponsoring Authority	Title	Number of Courses	Departmental Officers Attending	Course Duration (in days)
P.A. Management Consultants Pty Ltd	Programme Budgeting	1	1	1 day
Minnesota Mining and Manufacturing (Aust) Pty Ltd	Overhead Projector	2	2	1 day
IBM Education Centre Melbourne	Computer Concepts for Management	1	1	3 days
University of Melbourne	Application of Computers to Business Information Systems	1	1	1 year (part time)
Institute of Transport (W.A. Section)	Seminar: 'The Transport Revolution'	1	2	1 day

(ii) Other Courses (cont.)

Sponsoring Authority	Title	Number of Courses	Departmental Officers Attending	Course Duration (in days)
Australian Institute of Human Relations	Human Relations	1	1	7 days
State Electricity Commission of Victoria	Explosives	1	2	2½ days
Commonwealth Treasury	ADP Salaries System	2	3	2½ days
Productivity Groups Advisory Council, Qld.	Materials Handling	1	1	1 day
Department of Works	Works Budgeting; Administrative Procedures Course	1	4	1 day
Commonwealth Police	Training for Escort Officers	1	2	½ day

Source: Department of Shipping and Transport.