

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

1973—*Parliamentary Paper No. 334*

JOINT COMMITTEE OF PUBLIC ACCOUNTS

**ONE HUNDRED AND FORTY-SEVENTH
REPORT**

**EXPENDITURE FROM THE
CONSOLIDATED REVENUE FUND**

(APPROPRIATION ACTS 1972-73)

*Presented pursuant to Statute and
ordered to be printed 28 November 1973*

THE GOVERNMENT PRINTER OF AUSTRALIA
CANBERRA 1974

JOINT COMMITTEE OF PUBLIC ACCOUNTS

NINTH COMMITTEE

C.J. HURFORD, Esquire, M.P. (Chairman)¹
Senator R.E. McAULIFFE (Chairman)²
A.W. JARMAN, Esquire, M.P. (Vice-Chairman)

Senator J.F. FITZGERALD
Senator M.G.C. GUILFOYLE

F.W. COLLARD, Esquire, M.P.
M.J. MacKELLAR, Esquire, M.P.
V.J. MARTIN, Esquire, M.P.
L.J. REYNOLDS, Esquire, M.P.
I.L. ROBINSON, The Hon., M.P.³
A.E. ADERMANN, Esquire, M.P.⁴
P.F. MORRIS, Esquire, M.P.⁵

*The Senate appointed its members on 8 March 1973 and the House of
Representatives appointed its members on 1 March 1973*

SECTIONAL COMMITTEES

(Appointed on 31 July 1973, pursuant to section 9
of the *Public Accounts Committee Act 1951-1966*)

Sectional Committee A

C.J. Hurford, Esquire, M.P.
(Chairman)
Senator R.E. McAuliffe
(Chairman)
M.J. MacKellar, Esquire, M.P.
(Vice-Chairman)
A.E. Adermann, Esquire, M.P.
V.J. Martin, Esquire, M.P.
P.F. Morris, Esquire, M.P.

Sectional Committee B

A.W. JARMAN, Esquire, M.P.
(Chairman)
L.J. Reynolds, Esquire, M.P.
(Vice-Chairman)
F.W. Collard, Esquire, M.P.
Senator J.F. Fitzgerald
Senator M.G.C. Guilfoyle

- 1 Discharged 29.8.1973
- 2 Elected 30.8.1973
- 3 Discharged 31.5.1973
- 4 Appointed 31.5.1973
- 5 Appointed 29.8.1973

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 subsection (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.

CONTENTS

Chapter	page
1. Introduction	1
2. Attorney-General's Department	4
3. Department of the Capital Territory	13
4. Department of Education	17
5. Department of the Northern Territory	21
6. Department of Primary Industry	29
7. Department of Science	40
8. Department of Services and Property	43
9. Department of Works	45
10. General conclusions	48

JOINT COMMITTEE OF PUBLIC ACCOUNTS
ONE HUNDRED AND FORTY-SEVENTH REPORT
EXPENDITURE FROM THE ADVANCE TO THE TREASURER

(Appropriation Acts 1972-73)

CHAPTER 1. INTRODUCTION

In July 1973 the Committee obtained from departments explanations relating to expenditure from the Advance to the Treasurer during 1972-73. Explanations in respect of 18 items were selected for referral to the Sectional Committees for further examination.

2. The items selected were made the subject of a public inquiry by the Sectional Committees at Parliament House, Canberra on:

Tuesday, 21 August 1973

Tuesday, 28 August 1973

Tuesday, 11 September 1973

Tuesday, 18 September 1973

3. The following witnesses were sworn and examined by Sectional Committee A during the public inquiry:

Department of the Capital Territory

Mr D.A. Brown . . .	Director, Personnel and Services
Mr D.M. Lalor . . .	Assistant Secretary, Finance and Supply

Department of Education

Mr P.C. Maher . . .	Acting Director, Management Services
Mr J.W. Morey . . .	Acting Director, A.C.T. Education Services

Department of the Northern Territory

Mr P.H. Bennett . . .	Director of Management Services
Mr W.J.F. Hull . . .	Acting Controller of Finance
Mr M.C. Taylor . . .	Assistant Director, Child and General Welfare, Department of Aboriginal Affairs

Department of Science

Mr C.A. Webster . . .	Assistant Secretary, Management Services
-----------------------	--

Department of Services and Property

Mr C.J. Rowe . . . Executive Officer, Australian
Electoral Office
Mr C.I. White . . . Deputy Chief Australian Electoral
Officer

4. The following witnesses were sworn and examined by Sectional Committee B during the public inquiry:

Attorney-General's Department

Mr A.J. Bourne . . . Administrative Officer, Commonwealth
Police
Mr K.N. Geary . . . Senior Finance Officer, Management
Services
Mr D.K. Gill . . . Administrative Officer, Office of
Commissioner of Trade Practices
Mr L.S.J. Harper . . . Deputy Commissioner, Commonwealth
Police
Mr R.L. Harrison . . . Deputy Commissioner, Office of
Commissioner of Trade Practices
Mr R.A. Jenkins . . . Director, 'B' Management Services
Mr A.D. Taylor . . . Chief Reporter, Commonwealth
Reporting Service

Department of Primary Industry

Mr A.J. Bennett . . . Assistant Secretary, General Crops
and Inspection Services
Mr D.P. Cleary . . . Acting Assistant Secretary, Management
Services
Mr A.G. McArthur . . . Director, Forest Research Branch,
Forestry and Timber Bureau

Department of Works

Mr W.D. Hamilton . . . Acting Deputy Assistant Director-General,
Finance

5. During the public inquiry the Sectional Committees were assisted by the following Observers:

Mr E.S. Fleeer . . . Auditor-General's Office
Mr S.A. Huntley . . . Auditor-General's Office
Mr A.K. Ragless . . . Auditor-General's Office
Mr D.J. Barritt-Eyles . . . Public Service Board
Mr M.R. Sexton . . . Public Service Board
Mr G.S. Davidson . . . Department of the Treasury
Mr J.I. Maunder . . . Department of the Treasury

6. The last date for acceptance of the Original Estimates, for Appropriation Acts (No. 1) and (No. 2), was 28 April 1972. The last date for acceptance of the Additional Estimates, for Appropriation Acts (No. 5) and (No. 6), was 5 March 1973. Appropriation Acts (No. 3) and (No. 4), which came into operation on 31 March 1973, made provision for requirements under the revised Administrative Arrangements.

7. For the financial year 1972-73 an amount of \$30,000,000 was provided under Division 560 — Advance to the Treasurer — in Appropriation Act (No. 1) to enable the Treasurer:

- (a) to make advances that will be recovered during the financial year, in respect of expenditure that is expenditure for the ordinary annual services of the Government; and
- (b) to make moneys available for expenditure, being expenditure for the ordinary annual services of the Government:
 - (i) particulars of which will afterwards be submitted to the Parliament; or
 - (ii) pending the issue of a warrant of the Governor-General specifically applicable to the expenditure.

An additional \$15,000,000 was provided in Appropriation Act (No. 3) for the same purpose.

8. An amount of \$30,000,000 was provided under Division 920 — Advance to the Treasurer — in Appropriation Act (No. 2) to enable the Treasurer:

- (a) to make advances that will be recovered during the financial year;
- (b) to make moneys available for expenditure, particulars of which will afterwards be submitted to the Parliament, including payments by way of financial assistance to a State on such terms and conditions, if any, as the Treasurer determines; and
- (c) to make moneys available for expenditure pending the issue of a warrant of the Governor-General specifically applicable to the expenditure.

9. In its examination of expenditure from the Advance to the Treasurer, the Committee sought to ascertain whether or not expenditure has been confined to urgent and unforeseeable requirements for which provision could not have been made in the Original and Additional Estimates. The Committee also sought to ascertain whether or not the departments concerned have maintained efficient administration in the expenditure of funds under the items selected for examination at the public inquiry.

CHAPTER 2. ATTORNEY-GENERAL'S DEPARTMENT
(i) DIVISION 130/1/02: ADMINISTRATIVE — SALARIES AND PAYMENTS
IN THE NATURE OF SALARY — OVERTIME

Funds available	1970-71	1971-72	1972-73
	\$	\$	\$
Appropriation Act No. 1	13,000	15,000	14,000
Appropriation Act No. 3	3,000	..	..
Appropriation Act No. 4 . . . . .	..	..	..
Appropriation Act No. 5 . . . . .	..	..	5,900
Advance to the Treasurer . . . . .	..	..	5,606
Total Funds Available	16,000	15,000	25,506
Total Expenditure	15,681	14,697	25,482
Unexpended funds available	319	303	24

10. This item provides for overtime performed by the Department's Central Office, the Establishments and General Services Branches in the State Offices, and Ministerial staff.

Exhibit 147/B1

11. The Committee was informed that the decrease in the original estimate for this item from \$15,000 in 1971-72 to \$14,000 in 1972-73 was explainable mainly by the occurrence of twenty-seven pay days in 1971-72.

Qs B5 and B6

12. Supplementary funds to the extent of \$5,900 were sought for this item at the time of the Additional Estimates in early March 1973. The Department instanced two main reasons in explanation. Firstly, the Department's Central Office establishment increased during the year from 342 positions to 473. Sixty-six of the additional positions related to censorship, a function which had previously been handled by the Department of Customs and Excise. The transfer of the A.C.T. and Northern Territory Police, and the censorship function, to the Department's financial control on 1 March 1973, led to a considerable increase in the work-load of the Department's personnel, establishment, office services and finance and accounting sections.

Exhibit 147/B1
and Qs B7 to B9
and B12

13. The second main reason for the increased expenditure was that the Government's legislative programme in the first period of Parliamentary sittings in 1973 made demands on typing, photo-copying and other office services to the extent that overtime became necessary. From January, the tempo of work increased generally throughout the Department.

Exhibit 147/B1
and Qs B10 and
B20

14. Following the transfer of functions, additional needs became apparent which had been unforeseen at the time of the Additional Estimates. For example, it became necessary to incorporate new files into the Central Office Registry system; the Department of Science requested the Department's assistance until 1 April 1973 (a date later than had previously been agreed upon) in processing accounts for the Patent Office; and following a repartitioning program within the Department's premises, the timing of which had been uncertain earlier, a number of internal removals became necessary. In relation to the censorship function, the load of Ministerial correspondence became extremely heavy. A large

Exhibit 147/B1
and Qs B11, B13,
B15, B16, B18 and
B19

portion of the correspondence (some 1,500 letters) related to one controversial film ('The Last Tango in Paris').

Exhibit 147 B1
and Qs B14 and
B17

15. Another factor which made estimating difficult was the increased overtime worked by the Minister's staff in the last four months of the financial year. The Department had, of course, little experience of what overtime the particular Minister's staff was likely to work. Previous Ministerial staffs in the two previous financial years had totalled \$2,910 and \$2,596 in overtime payments. Expenditure on overtime in 1972-73 to the end of February 1973 amounted to only \$1,874, but at the close of the financial year it totalled \$6,986.

Exhibit 147 B1
and Q. B20

16. In general, it appears that the need for funds from the Advance to the Treasurer arose because the Department had not estimated, at the time of the Additional Estimates, that the increased tempo of work in the Department would continue for the remainder of the financial year.

Conclusions

17. The Committee accepts the Department's explanation.

(ii) DIVISION 132/1/01: REPORTING BRANCH — SALARIES AND PAYMENTS IN THE NATURE OF SALARY—SALARIES AND ALLOWANCES

Funds available				1970-71	1971-72	1972-73
				\$	\$	\$
Appropriation Act No. 1	.	.	.	667,000	831,200	816,400
Appropriation Act No. 3	.	.	.	33,000	..	..
Appropriation Act No. 5	.	.	.	..	..	42,000
Advance to the Treasurer	.	.	.	..	..	8,700
Total funds available	.	.	.	700,000	831,200	867,100
Total expenditure	.	.	.	697,076	828,017	863,946
Unexpended funds available	.	.	.	2,924	3,183	3,154

Exhibit
147, B2 and Qs B24
and B27 to B30

18. The Committee was informed that the Court Reporting Branch covers all Commonwealth courts and tribunals throughout Australia. The Branch also covers commissions of inquiry, some State courts in cases of interest to the Australian Government, and occasional conferences and private arbitrations. The Branch's headquarters are in Melbourne, and the main sections are in Sydney, Adelaide and Canberra. Where manual reporting is not practicable, the Branch undertakes sound recording. Also, on occasions, reporters are transferred interstate according to workload needs.

Qs B21 and B24

19. Actual employment in the Branch in 1970-71, 1971-72 and 1972-73 was 195, 174 and 164 staff respectively. In 1972-73 the Branch's permanent staff numbered 92, of whom 31 were permanent reporters.

Exhibit 147 B2
and Qs B24, B28
and B33

20. Apart from its nucleus of permanent reporters, the Branch can draw from a list of 37 casual reporters and 94 casual transcription and audio typists. Casual staff are employed on a daily basis as required. The

Committee understands that on any particular day the Branch is not able to forecast its commitments for the next day until about 4.30 p.m. (Known and tentative commitments, however, are recorded in a master diary.) The witness said that transcription typists, often women with home demands, are attracted to the Branch on account of the work-hours required of them, namely, 9.45 a.m. to 5.00 p.m.

21. The Branch assumes that its workload will be maximum for most of the time, and efforts to recruit casual staff are constantly maintained. Severe problems in recruitment, however, are encountered. For example, at the time of the public inquiry, advertisements had been placed to fill twelve vacancies in the Canberra Section without confidence that applicants would be attracted. Special problems were experienced in Darwin: for example, to cover proceedings in Darwin in September 1973, transcription typists needed to be trained in Adelaide and transferred.

Qs B26, B31 and B32

22. The witness told the Committee that the Branch estimates its requirements for a coming financial year on the basis of its experience in the current financial year. Before 1972-73, discussions had been held with the various tribunals in order to gain an idea of the likely workload. Note was made of the loss in Victoria of seven casual reporters from a list of twelve, following the introduction of a reporting scheme by the State courts. The original estimate was \$14,800 less than in 1971-72, on account of the anticipated unavailability of certain casual staff and because 1972-73 contained twenty-six pay days, one fewer than the previous year.

Exhibit 147/B2 and Qs B21, B25 and B35

23. The Department stated that the reasons for its requirement under Appropriation Act No. 5 arose as follows:

Exhibit 147/B2 and Qs B22, B23 and B25

- (a) Reclassification of 2 Junior Assistant positions to Clerical Assistant Grade 1 — \$616
- (b) Determination No. 229 of 1972 for Reporters, effective from 24 August 1972, on which the Public Service Board issued instructions on 21 September 1972 — \$39,000
- (c) Determination No. 286 of 1972 for Clerical Assistants, effective from 5 October 1972, on which the Public Service Board issued instructions on 18 October 1972 — \$3,450
- (d) Determination Nos. 79 and 80 of 1973 for Keyboard Operators, effective from 30 November 1972, on which the Public Service Board issued instructions on 21 February 1973 — \$12,150

The total of these measures (\$55,216) was partially off-set, however, by the continued unavailability of certain casual staff, particularly in Melbourne, and also, on account of ill health and overseas absence, in Adelaide and Canberra. In the event, \$42,000 was the additional estimate which was calculated.

24. When the funds provision under Appropriation Act No. 5 proved insufficient, additional funds were requested from the Advance to the

Exhibit 147/B2 and Q. B32

Treasurer. In making its estimate as to what further funds would be required, the Department assumed, on the basis of continued work-pressure in the Branch, that full employment for casual staff would be required for the duration of the financial year. The witness explained that most State Branches had deliberately overestimated a little the amount required for casual staff payroll, for the reason that should cash provision be inadequate payment would have to be held over until the next financial year.

Q. B32

25. A further reason for the under-expenditure was the postponement or cancellation of tribunal proceedings in Sydney and Melbourne too late to effect financial adjustments. Specifically, the Post Office Royal Commission, which had been scheduled to commence its proceedings in Sydney during the last pay period, was deferred, with the result that four reporters and four typists for whom financial provision had been made were not used. Also, a hearing of the Taxation Board of Review No. 1 which had been scheduled for 19 June 1973 was cancelled at short notice.

Q. B34

26. The witness representing the Department said that it has always been difficult to predict the demand for the services of casual staff, and that the Department has never been completely confident about its financial estimates for these staff.

Conclusions

27. The Committee appreciates the difficulty in making precise estimates for this type of expenditure, but nevertheless considers that deliberate overestimating of requirements for casual staff payroll by State Branches should not be allowed to continue. The Committee considers that it should be possible to make an assessment of requirements towards the end of the financial year and, if necessary, approach the Treasury for additional funds from the Advance to the Treasurer.

(iii) DIVISION 140/2/01: OFFICE OF THE COMMISSIONER OF TRADE PRACTICES — ADMINISTRATIVE EXPENSES — TRAVELLING AND SUBSISTENCE

Funds available	1970-71	1971-72	1972-73
	\$	\$	\$
Appropriation Act No. 1	21,000	25,000	29,000
Appropriation Act No. 5	2,000	4,000	7,000
Advance to the Treasurer . . . . .	..	..	4,000
Total funds available	23,000	29,000	40,000
Total expenditure	22,998	28,909	39,690
Unexpended funds available	2	91	310

Exhibit 147/B3

28. This item provides for the cost of travel and related expenses incurred in the Commissioner's Central Office and State Offices. It appears that the extent of travel bears a close relations to the extent of tribunal or court proceedings instituted under the Restrictive Trade Practices Act.

29. The Committee understands that, in estimating for this item, the Department makes provision for one tribunal case during a year. The Department cannot be certain, however, that any tribunal case will eventuate, for in the six years of the Office's operation only three full-scale tribunal cases have arisen from twenty-eight statutory consultations. The estimate of one tribunal case in 1972-73 was particularly uncertain as the Office had not experienced a full year of the operation of the resale price maintenance provisions, and only one uncontested case had previously reached court on which to base its estimate insofar as resale price maintenance matters were concerned. Q. B36

30. On 14 August 1972, proceedings were instituted in the Trade Practices Tribunal in what became known as the Fibreboard Container case. The case opened in Sydney on 26 February 1973 and lasted six weeks. Because of the interstate complexion of the case, staff of the Office needed to undertake extra travel in order to interview interested parties, perform general investigation, select and interview witnesses, and brief counsel. In addition, three Canberra-based officers were required to attend the hearing in Sydney for its full duration, and the Office had to bear the travel costs of sixteen witnesses, twelve of whom travelled interstate. A total of \$6,994 was incurred under this item for travelling expenses in relation to this case. Exhibit 147/B3
and Qs B37 to B42

31. Other causes of the requirement for additional funds to cover costs under this item were the commencement in March 1973 of proceedings in the Trade Practices Tribunal against the St. George County Council, and increased travel arising from resale price maintenance matters, both in investigation of complaints and in litigation in the Industrial Court. Exhibit 147/B3

32. In the course of the inquiry the Committee asked what proportion of the amount of \$7,000 under Appropriation Act No. 5 was spent in relation to the Fibreboard Container case, the St. George County Council case and the resale price maintenance matters. The Department supplied a supplementary submission in answer, as follows: Qs B37, B41 and
B42 and
Committee File
1973/2

(a) the Fibreboard Container case	.	.	.	.	\$4,170
(b) the St George County Council case	.	.	.	.	570
(c) the resale price maintenance matters:					
• National brand television sets	.	.	.	Nil	
• Hoover electrical appliances	.	.	.	\$110	
• Dalgety Australia Limited	.	.	.	\$1,230	
• BASF Australia Limited	.	.	.	\$130	\$1,470
					<hr/>
Total					\$6,210

33. In connection with resale price maintenance matters, the Committee was told that the number of cases which appeared likely to be contested in the Industrial Court increased during the last quarter of the financial year from four, at the time that the Additional Estimates closed, to seven. The

Exhibit 147/B3
and Qs B43 to B46

four cases, each of which related to resale price maintenance, are summarised below:

Case	Proceedings instituted	Hearing commenced	Hearing lasted
National brand television sets	12 September 1972	10 October 1972	3 days
Hoover electrical appliances	17 November 1972	6 March 1973	1 day
Dalgety Australia Limited	12 January 1973	May 1973	5 days
BASF Australia Limited	22 February 1973	28 May 1973	1 day

Q. B43

34. The witness said that during the first full year of the operation of the resale price maintenance provisions (1971-72) the Office wrote to several thousand firms explaining the provisions and, apart from one case, did not institute proceedings. During 1972-73 the Office found that many firms were still breaching the provisions. To assess the causes, the Office undertook investigations of these firms and of particular complainants. Interstate travel was necessarily required, particularly in relation to investigations leading to tribunal cases.

Conclusions

35. The Committee accepts the Department's explanation.

(iv) DIVISION 141/1/01: COMMONWEALTH POLICE FORCE—SALARIES AND PAYMENTS IN THE NATURE OF SALARIES AND ALLOWANCES

Funds available	1970-71	1971-72	1972-73
Appropriation Act No. 1	\$ 4,377,000	\$ 6,020,000	\$ 6,102,500
Appropriation Act No. 3 . . . .	..	..	..
Appropriation Act No. 4 . . . .	..	..	..
Appropriation Act No. 5 . . . .	..	..	350,000
Advance to the Treasurer	65,550	..	113,650
Total funds available	4,442,550	6,020,000	6,566,150
Total expenditure	4,441,396	5,961,482	6,563,548
Unexpended funds available	1,154	58,518	2,602

Exhibit 147/B4

36. This item provides for salaries and allowances for the Commonwealth Police Force.

Exhibit 147, B4
and Qs B47 and
B62

37. The Committee understands that there were two factors behind the seeking of additional funds under Appropriation Act No. 5. The first was the issue of arbitral determinations on 30 November 1972, for Commonwealth Police members, costing the Department an extra \$244,000 in the financial year; on 5 October 1972, for clerical assistants,

costing an extra \$8,000; and on 21 February 1973, for keyboard operators, costing an extra \$7,700.

38. The second factor was the employment of a greater average number of persons than had been originally estimated. It was explained to the Committee that a 3.2 per cent growth rate ceiling had been imposed on the Commonwealth Police in July 1971. In September 1972 the Secretary of the Department had advised that the growth rate ceiling had been increased to 3.5 per cent, thereby increasing by forty-three positions the effective ceiling to which the Commonwealth Police could recruit. As a result of this increase — occurring after preparation of the Original Estimates and nearing finality in January 1973 prior to preparation of the Additional Estimates — funds provided under Appropriation Act No. 1 proved insufficient to the extent of \$90,300. A further cause of the comparatively small increase between 1971-72 and 1972-73 in the original estimate for this item was the fact that there was one pay day fewer in 1972-73 than in the previous year. A sum of \$220,000 represented the difference.

Exhibit 147/B4
and Qs B48 and
B49

39. After preparation of the Additional Estimates, Commonwealth Police's staffing again increased unexpectedly. Details of this further increase were that on 19 April the Public Service Board approved the creation of fifty-three positions, resulting subsequently in a determination by the Attorney-General raising Commonwealth Police's establishment by fifty-three; and further establishment increases were approved on 11 May, for five positions, and on 5 June, for seven positions. The Public Service Board Observer, Mr Sexton, said that the overall increase in establishment for the year was 121 positions. The Committee was informed that recruitment to the Commonwealth Police since the pay rises had been very successful, and that recruits had been found for the additional positions. It became apparent during May that funds from the Advance to the Treasurer would be required. In the event, \$95,450 was required from the Advance to cover salaries for the additional staff.

Exhibit 147/B4
and Qs B49
to B51 and B62

40. A further \$13,550 was required from the Advance to cover unanticipated payments in lieu of furlough. It was explained that three officers who had been expected to retire at age 65 had suddenly decided to exercise their option to retire at age 60 instead.

Exhibit 147/B4
and Q. B52

41. The remaining requirements from the Advance were to cover an outlay allowance for a member of the Force who was posted overseas (\$460), and salary prepayments for recreation leave which were heavier than usual (\$4,190). The witness explained that an unusually high number of staff (77) had requested prepayment of salary for recreation leave for the two pay days in June. Since staff exercise their individual discretion in seeking prepayment, the Department is unable to forecast accurately.

Exhibit 147/B4
and Qs B53 to B55

Conclusions

42. The Committee accepts the Department's explanation.

(v) DIVISION 141/2/07: COMMONWEALTH POLICE FORCE —
ADMINISTRATIVE EXPENSES — INCIDENTAL AND OTHER EXPENDITURE

Funds available	1970-71	1971-72	1972-73
Appropriation Act No. 1	\$ 25,400	\$ 55,700	\$ 35,700
Appropriation Act No. 3	8,500	..	..
Appropriation Act No. 5 . . . . .	..	..	16,500
Advance to the Treasurer . . . . .	..	..	3,400
Total funds available	33,900	55,700	55,600
Total expenditure	33,582	34,736	55,430
Unexpended funds available	318	20,964	170

Q. B56

43. The Committee understands that it is not unusual for fluctuations in expenditure to occur in respect of this item on account of the irregularity of incidental expenses in relation to Commonwealth Police's overseas posts. The witness explained that it is difficult to predict likely expenditure in relation to removals overseas, fares and other costs (such as for children's education); and indicated that a further complication arises from the unanticipated extension on occasions of officers' periods of duty overseas from two years to three.

Exhibit 147/B5
and Q. B57

44. One of the causes of the need for additional funds under Appropriation Act No. 5 was the unexpectedly high cost of overseas removals. \$2,500 was required in addition to what had been estimated originally. Part of this requirement arose from movements of officers to and from Belgrade, Yugoslavia; namely, one officer arrived back in Australia unexpectedly early, with the effect that a bill for \$428 was processed in June rather than in July; and another officer was repatriated on account of illness, and was replaced, at a cost of \$562.

Exhibit 147/B5

45. A more substantial cause of the need for additional funds was the lump sum and weekly payments of compensation, and funeral allowance, paid to the widow of a special constable who was accidentally killed whilst on duty. These payments totalled \$14,000.

Exhibit 147/B5
and Qs B58 and
B59

46. Subsequent to the preparation of Additional Estimates need was seen for further funds from the Advance to the Treasurer totalling \$3,400. \$2,200 of this sum was provided to cover advertising for filling vacancies in the Force, which had arisen as a result of the Attorney-General's determination on 19 April 1973 raising the establishment of the Commonwealth Police Force by fifty-three positions. It had been decided that to attract the most appropriately qualified applicants, the vacancies should be open to applicants from outside the Force. Advertising was also used to ensure an applicant field of quality, in relation to two Inspector positions, which were about to become vacant through retirement.

Exhibit 147/B5
and Q. B60

47. A sum of \$1,050 was required from the Advance to meet increased compensation payments arising from new determinations. The witness explained that no provision is made in the Original Estimates for

compensation payments other than those current at the time. In addition, the small sum of \$150 was required from the Advance to cover reimbursement of study fees which were higher than had been anticipated.

Conclusions

48. The Committee accepts the Department's explanation.

CHAPTER 3. DEPARTMENT OF THE CAPITAL TERRITORY
DIVISION 362/2/03: AUSTRALIAN CAPITAL TERRITORY SERVICES —
ADMINISTRATIVE EXPENSES — POSTAGE, TELEGRAMS AND TELEPHONE
SERVICES

Funds available	1970-71	1971-72	1972-73
Appropriation Act No. 1	\$ 239,000	\$ 220,000	\$ 239,000
Appropriation Act No. 3 . . . . .	..	..	..
Appropriation Act No. 4 . . . . .	..	13,500	..
Appropriation Act No. 5 . . . . .	..	..	..
Advance to the Treasurer . . . . .	..	..	44,000
Total funds available	239,000	233,500	283,000
Total expenditure	230,756	230,296	281,726
Unexpended funds available	8,244	3,204	1,274

Exhibit 147/A1
and Q. A2

49. This item provides for telephone rental, metered calls, trunk calls and miscellaneous charges for the Canberra Civic Offices exchange line and other lines, postal charges and hire of telex equipment. With regard to expenditure on telephones, the Committee understands that the Postmaster-General's Department bills the Department on metered calls monthly and for rental at six-monthly intervals.

Exhibit 147/A1

50. The Committee was provided with the monthly expenditure analysis for this item, as follows:

Month	Expenditure for Month	Progressive Expenditure	Pro rate on \$239,000	Excess/Arrears on pro rata
1972	\$	\$	\$	\$
July	5,938	5,938	19,917	- 13,979
August	43,843	49,781	39,833	+ 9,948
September	22,395	72,176	59,750	+ 12,426
October	3,216	75,392	79,667	- 4,275
November	14,534	89,926	99,583	- 9,657
December	1,980 Cr	87,946	119,500	- 31,554
1973				
January	19,248	107,194	139,417	- 32,223
February	32,935	140,129	159,333	- 19,204
March	26,974	167,103	179,250	- 12,147
April	14,335	181,438	199,167	- 17,729
May	35,012	216,450	219,083	- 2,633
June	65,276	281,726	239,000	+ 42,726

Exhibit 147/A1.

51. The analysis shows that, at the end of February, immediately prior to the last date for the submission of the Additional Estimates, expenditure on this item was \$19,204 below pro rata expenditure. The Committee was informed that subsequent monthly reviews did not reveal any need for additional funds until June.

Exhibit 147/A1
and Qs A3 to A6,
A31 and A32

52. The Department instanced three causes of the increased expenditure on telephones under this item. The first cause arose from the slowness of

the Postmaster-General's Department in rendering an account to the Department for the financial year 1970-71. The witness explained that on 20 July 1972 the Department received an account for \$16,740 for the wages cost of switchboard operators on loan during 1970-71 and 1971-72. (Of this sum, only \$10,151.87 was charged to this item, as the balance was apportioned against other items.) The Department had queried the account, which the Postmaster-General's Department then explained as follows: 'Due to lack of knowledge caused by changes of staff over these years no accounts were rendered to your Department for this telephonists' relief.' The witness informed the Committee that the Department uses three telephonists on its switchboard and that the turnover of staff has been frequent. The Department had not received an account for telephonists' wages since 1969-70, had not been aware that any account was due, and had thus not prompted the Postmaster-General's Department or included any amount for this expenditure in the Estimates.

53. The Audit Observer, Mr Ragless, said that the Postmaster-General's Department's delayed rendition of accounts to the Department for the services of telephonists was part of a wider breakdown in procedures for the years 1970-71 and 1971-72. The breakdown appears to have been confined to Canberra and has since been rectified.

Exhibit Q. A68

54. The second cause of the increased expenditure arose from the installation in March 1973 of an additional bank of extensions. In a supplementary submission to the Committee, the Department indicated that the additional expenditure arose from the use of the new extensions and did not relate to the actual installation, for which the Department had not been billed at 30 June 1973. In further explanation, the supplementary submission stated that the need for the additional extensions became apparent in August 1970 when the Chief Property Officer of the then Department of the Interior provided the Postmaster-General's Department with forward planning information. The additional extensions were requested in April 1971, and cost quotations were received in September 1971 and January 1973 for \$15,098 and \$17,116 respectively.

Exhibit 147/A1,
Qs A9 to A12 and
Committee File
1973/2

55. The third cause of the increased expenditure was the sharp increase in traffic through the P.A.B.X. system. The increase was partly attributable to the installation in February 1973 of thirteen additional outgoing lines, and to the continuing increase, particularly towards the end of 1972-73, in the number of metered calls.

Exhibit 147/A1
and Q5. A13, A35
and A36

56. The witness indicated that the Department's telephone traffic included a proportion of unauthorised subscriber trunk dialling calls by staff for private purposes. At present, S.T.D. calls cannot, however, be traced to their sources or separated on the overall metered calls account. The only control within the Department is a notice in the front of its internal telephone directory reminding staff that S.T.D. calls for private purposes are not permitted. The Department has, however, approached the Postmaster-General's Department with a view to the installation of 'Petra' equipment on the switchboard (a monitoring device which records

Qs A14 to A20

the source of S.T.D. calls and the number called less the last two digits). Other control possibilities, such as an S.T.D. bar on particular lines, had not been introduced. The Department was hopeful that the introduction of 'Petra' would achieve a downturn in expenditure on S.T.D. calls.

Exhibit 147: A1
and Qs A21, A22
and A24 to A30

57. The Committee was informed that \$44,000 from the Advance to the Treasurer was requested by the Department on 27 June and made available on 29 June. The witness said that June was an extraordinary month in that there were three monthly accounts to be paid, totalling approximately \$25,000, instead of the usual one; a P.A.B.X. rental account (\$21,000); an account for rental of the Department's internal and external lines called S4X, and for the cost of calls to 5 February (\$5,800); and a postage account (\$4,000). In amplification, the witness said that monthly accounts are always overdue two to three months in receipt from the Postmaster-General's Department, and indicated that in this instance delays had also occurred within the Department prior to payment of the accounts in June. The monthly accounts were in respect of February, March and April; and, by way of example, the Committee was told that the February account was received in the Department on 1 May.

Qs A23, A25 to
A27 and A31 to
A34

58. During the public hearing the Committee questioned the validity, in view of the unequal monthly expenditure on this item, of assessment of expenditure progressively on a pro rata basis. The Committee indicated that the Department would have been well advised to have examined monthly expenditure results of previous years to assess the likelihood of expenditure in June being well in excess of the pro rata. The Committee suggested that the Department could have decided, before Additional Estimates closed, that extra funds would be required. The witness conceded that the three monthly accounts could have been paid more promptly; that a close analysis of previous monthly expenditures would have assisted the Department in its estimating; and that, with the benefit of such an analysis, and with the knowledge of which monthly accounts would become due, provision for funds in the Additional Estimates could have been made.

Conclusions

59. It appears from the evidence that estimates reviews carried out by the Department of the Capital Territory failed to take into consideration the need to provide for wages for telephonists on loan from the Postmaster-General's Department. This was partly due to the late rendition of accounts by the Postmaster-General's Department.

60. The Committee is concerned at the long delay in the submittal of these accounts and considers that the Postmaster-General's Department should have been aware that the accounts had not been rendered. Although the Committee was informed that the breakdown in procedures was confined to Canberra and has since been rectified, the Committee believes that the Postmaster-General's Department should review its procedures for rendering accounts, to ensure that breakdowns do not occur and that accounts are submitted promptly after a service is provided.

61. The Committee considers that the Department of the Capital Territory should have been aware that the accounts for telephonists' wages had not been received. This lack of awareness, the Committee believes, indicates that the records being maintained by the Department for estimates purposes are inadequate.

62. The Committee is disturbed that the Department's telephone facilities offer substantial scope for unauthorised use of subscriber trunk dialling. The Committee notes with approval that the Department is considering taking action to have a monitoring device installed which will record the source of S.T.D. calls.

63. The evidence submitted shows that if fairly elementary estimating checks had been carried out, such as an analysis of expenditure in the early months of the financial year and an examination of the pattern of expenditure for previous years, the Department would have been aware of its additional requirements in time for their inclusion in the Additional Estimates. The Committee expects that appropriate action will be taken by the Department to ensure that proper estimating procedures will be followed in future.

CHAPTER 4. DEPARTMENT OF EDUCATION

DIVISION 232/1/09: EDUCATIONAL SERVICES — AUSTRALIAN CAPITAL TERRITORY — PRE-SCHOOL EDUCATION AND TRAINING

Funds available	1970-71	1971-72	1972-73
	\$	\$	\$
Appropriation Act No. 1	380,000	462,500	591,000
Appropriation Act No. 3	46,000		
Appropriation Act No. 4		59,500	
Appropriation Act No. 5			78,800
Advance to the Treasurer		3,185	12,000
Total funds available	426,000	525,185	681,800
Total expenditure	423,719	525,135	682,671
Unexpended funds available	2,281	50	-871

Exhibit 147/A16
and Committee
File 1973/2

64. This item provides for costs incurred in relation to pre-school centres in the Canberra and Jervis Bay areas. The item includes salaries of permanent and casual staff and the cost of pre-school scholarships for trainee pre-school teachers.

Exhibit 147/A16
and Committee
File 1973, 2

65. The Committee was informed that, of the amount of \$78,800 obtained in Appropriation Act No. 5, \$10,000 was required to meet salary increases granted to Pre-school Assistants from 5 October 1972; \$17,000 was required to meet salary increases to Teachers (including pre-school teachers) from 14 December 1972; and \$13,000 was required to meet salary increases arising from the 1972 National Wage Case. Provision for the National Wage Case had been omitted from the Original Estimates because of an oversight. In explanation, the Department said that provision for salaries in the Estimates under different functional items (e.g. 232/1/09 A.C.T. Pre-school Education and Training, 232/1/06 A.C.T. School Janitor Service) may have contributed to the oversight.

Committee File
1973, 2

66. The Committee understands that from 1973-74 the Departmental appropriations have been restructured. Expenditure will not be spread over a number of items on a functional basis: instead, Division 201/1/01 provides for salaries and allowances of all staff associated with A.C.T. schools, including primary, secondary and pre-school teachers, janitors, pre-school assistants and administration staff. A similar arrangement applies with respect to the Northern Territory. The Department stated that the new format should avoid a repetition of mistakes and omissions that have occurred over a number of years under the former arrangement.

Exhibit 147/A16
and Committee
File 1973/2

67. Apart from these salary variations, which accounted for additional requirements of \$40,000, another \$29,300 was required to staff additional positions approved for new pre-schools and extensions to pre-schools. The following table summarises this requirement:

Additional positions	Public Service Board approved creation	Treasury approved commitment of funds
5 of Teacher, Grade 1 } 5 of Assistant, Grade 1 }	18 September, 1972	5 October, 1972
2 of Teacher, Grade 1 } 3 of Assistant, Grade 1 }	8 November, 1972	21 November, 1972

68. In addition, an amount of \$2,000 was required to cover the increased cost of electricity at pre-schools due to the use of electric heaters during the period of the fuel strike in 1972; the establishment and further expansion of pre-schools; and an 8 per cent increase in charges from April 1973. \$5,000 related to increases in allowances and tuition fees under the Pre-school Training Scholarship Scheme. The Committee was informed that an increase in allowances was announced in July 1972, effective from January 1972, and a further increase operated from January 1973.

Exhibit 147/A16,
Qs A424 and
A428, and
Committee File
1973/2

69. \$500 was required to provide for a special program for siblings of handicapped children at the Causeway Pre-School. The Department had not foreseen the need for this amount when the original estimate was prepared. The Minister had approved the program on 1 September 1972.

Exhibit 147/A16,
Q. A431, and
Committee File
1973/2

70. The Committee was also informed that \$2,000 was required for the payment of arrears on water rates from the previous year, for which no allowance had been made at the time of the Original Estimates. The Department explained that in 1971 the Department of the Interior altered its procedure for submittal of water rate accounts to Government departments. In the past, accounts in respect of Government departments had been issued in a batch of accounts for a particular area, so that the Department of Education, with interests in all the suburbs, had received accounts in a continual stream. Under the new arrangement, all meters in respect of the Department's interests are read at the same time each year (November), and accounts are submitted in a consolidated form. The first account under the new arrangement was received in May 1972, for the period to November 1971. As the Department's schools had been charged incorrectly for excess water at full rate instead of half rate, the Department decided, after discussion with the Treasury, to seek additional funds when the queries raised had been settled.

Exhibit 147/A16,
Qs A431 and
A432, and
Committee File
1973/2

71. In relation to the amount of \$12,000 obtained from the Advance to the Treasurer, the Committee was informed that when the additional estimate for this item was formulated, the Department based its projected average fortnightly salary bill on expenditure incurred on salaries in February, and on any salary increases or increments that were apparent at that time. The witness indicated that February was not the most appropriate month to have picked as insufficient allowance had been made for payments to casual teachers and assistants. A need for a further \$12,000 became apparent.

Exhibit 147/A16
and Qs A433 and
A434

72. In connection with the expenditure of \$871 without Warrant Authority, the Committee was informed that it resulted from a clerical error which occurred in the Department's warrant commitment advice

Qs A420 to A422

register. The witness explained that the Finance Section of the Department has been responsible also for the Department of Science, and that although the error was detected towards the end of May, the officer concerned, due to pressure of work, did not initiate any action at that stage to rectify it. The Committee was assured that action will be taken in 1973-74 to ensure that the Department's warrant commitment advice register is subjected to check by another officer in the Section.

Committee File
1973 2

73. The Department provided the Committee with a table summary of its expenditure under this item, as follows:

Sub-Item	Original allocation	Additional allocation	Total allocation	Expenditure
Salaries	540,400	69,300	609,700	624,733
Supplies	8,000	..	8,000	5,214
Electricity, Oil, Water, Telephones	18,500	4,000	22,500	24,107
Scholarships	20,600	5,000	25,600	22,708
Miscellaneous	3,500	500	4,000	5,909
	591,000	78,800	669,800	682,671
Plus Advance to the Treasurer		12,000	681,800	

Qs A436 and A437

74. During the inquiry the Committee referred to criticisms made by the Eighth Committee in its One Hundred and Fortieth and One Hundred and Forty-first Reports of the Department's financial administration. The witness said that efforts had been made during 1972-73 to improve communication between sections of the Department in order to achieve more precise formulation of estimates; and added that two positions had been created within the Finance Sub-section to help handle the workload. While one of these positions had been staffed, the other had been vacant and was expected to be filled only by September 1973. A difficulty which faced the Department at the time of the Committee's inquiry was the imminent division of the financial control unit which had been responsible for both the Department of Education and the Department of Science, as an interim measure, since the former Department of Education and Science was abolished in December 1972. The witness said that he considered the Department's procedures for estimates formulation to be still not satisfactory.

Conclusions

75. The evidence shows that of the \$78,800 provided in the Additional Estimates \$40,000 was required to meet salary increases. In its Original Estimates the Department had omitted to include \$13,000 required to meet salary increases arising from the 1972 National Wage Case, and also had made no allowance for \$2,000 for the payment of arrears on water rates from the previous year. On the basis of the evidence, the Committee regards these omissions as a serious administrative oversight in the Department's estimating.

76. The second matter to which the Committee would invite attention

relates to the apparent miscalculations at the time of the revised estimates review, resulting in the Department's having to obtain \$12,000 for salary payments from the Advance to the Treasurer. The evidence shows that the underestimation arose from the Department's method of forecasting, in which it based its salary requirements on the month of February. As a result of this method, insufficient allowance was made for payments to casual teachers and assistants.

77. It seems likely that if the Department had used expenditure figures for four or five months, instead of for one month, in projecting future requirements, the Department would have been better aware of its requirements, and a request for extra funds could have been included in the Additional Estimates.

78. The third matter relates to an amount of \$871 being charged to the Advance to the Treasurer without a Warrant Authority, in contravention of Treasury Regulation 90(1). That Regulation states:

An Authorising Officer shall not authorise expenditure from Revenue or Loan appropriations until a Warrant Authority for Expenditure authorising expenditure accordingly has been obtained from the Secretary.

79. The Committee is disturbed by the evidence relating to this overexpenditure. The witness explained that the unauthorised expenditure resulted from an error in the Department's warrant commitment advice register, and although the Department detected the error towards the end of May, no action was taken to correct it. While the Committee appreciates that the Department was under additional work pressure in the finance area at the time, it considers that the Department was remiss in not rectifying the error immediately it was discovered.

80. The Committee also notes that action has been taken by the Department by way of increased staffing in its finance section and a restructuring of the Departmental appropriations to a new format. The Committee trusts that this action will result in an improved performance in connection with the formulation and review of Estimates.

81. Finally, the Committee must comment adversely on the inadequate briefing of witnesses on matters of fact referred to in the Departmental submission. The Committee would invite the Department's attention to Memorandum 66/385 of 16 October 1970 from the Secretary to the Treasury to all Permanent Heads, which relates to the preparation of material and briefing of witnesses for our inquiries.

CHAPTER 5. DEPARTMENT OF THE NORTHERN TERRITORY

(i) DIVISION 368/4/01: NORTHERN TERRITORY SERVICES — GENERAL SERVICES — GENERAL WELFARE SERVICES

Funds available	1970-71	1971-72	1972-73
Appropriation Act No. 1	\$ 311,000	\$ 393,300	\$ 500,000
Appropriation Act No. 3	43,000		
Appropriation Act No. 4		29,000	
Appropriation Act No. 5			
Advance to the Treasurer	34,000		72,000
Total funds available	388,000	422,300	572,000
Total expenditure	387,999	415,084	571,905
Unexpended funds available	1	7,216	95

Exhibit 147/A5
and Q. A236

82. This item provides for the care of destitute and neglected children under the Child Welfare Ordinance, transport to and maintenance in State mental institutions of patients (other than Aborigines) from the Northern Territory, and the care of persons in indigent or necessitous circumstances. In explanation of the latter class of persons the witness informed the Committee that included are persons awaiting statutory benefits (for example, unmarried mothers and deserted wives in the first six months after desertion), pensioners unable to subsist on standard pensions because of the high cost of living in the Territory, and penniless itinerants who have been drawn to the Territory under misapprehensions of opportunities there.

Qs A236 and A243
to A246

83. Regarding the penniless itinerants, the witness said that entire families sometimes venture north from southern States with unreal ideas about facilities and opportunities in the Territory. With no means of livelihood, and because of a critical shortage of emergency accommodation obtainable at reasonable prices, these families inevitably require welfare assistance. The problem is worst during the wet season, when outdoor camping is impossible. There is no emergency housing available. Efforts, however, are made to house children, and charity organisations are commencing to assist with the wider problem. One solution has been to send families back to where they set out from.

Exhibit 147/A5
and Qs A237 to
A239

84. The Committee was informed that Treasury Estimates Memorandum 1972/73 of 22 December 1972, which set out the effects on appropriations of the new administrative arrangements within the Public Service, specifically excluded this item from the control of the Department of the Northern Territory. The Department of Aboriginal Affairs accepted responsibility for obtaining approval for any additional funds required in 1972-73. When that Department applied to the Treasury, however, for additional funds, Treasury advised that the functional responsibility still remained with the Department of the Northern Territory, which was the Department which should make application. The Treasury Observer, Mr

Davidson, indicated that Treasury's view reflected its interpretation of the Administrative Arrangements Order.

85. The Committee understands that the Department of Aboriginal Affairs sent a telex to Treasury on 2 March 1973 in relation to the placement of the item. The date on which that Department made application for additional funds was 6 March, i.e. one day after the last date for submission of Additional Estimates. Following 6 March, discussion took place between the three Departments about which Department should be responsible for the item. By the time that a decision was reached, the Department of the Northern Territory's request for additional funds (made on 20 March) was too late to be included in the Additional Estimates. In the event, the Department drew \$72,000 from the Advance to the Treasurer.

Exhibit 147/A5
and Qs A238 and
A240 to A242

86. The Committee understands that, despite the uncertainties as to which Department was required to obtain additional funds for this item, the actual function of general welfare services remained all the time with the Department of Aboriginal Affairs. The odd situation prevailed in which that Department administered community welfare in the Northern Territory for non-Aboriginals as well as Aboriginals. The Committee was told that the responsibility for non-Aboriginal welfare would be transferred back to the Department of the Northern Territory at a date to be set, possibly later this year.

Q. A237

87. The Committee understands that the reason for the Department of Aboriginal Affairs' present administration of general welfare services was that the Welfare Division of the Northern Territory Administration, which had conducted these services before the administrative re-arrangements, and which was relocated within the Department of Aboriginal Affairs, was a cohesive unit not easily divided. The Committee also understands that there is not a simple Departmental division between general welfare and Aboriginal welfare in the Northern Territory, since the Department of Aboriginal Affairs has an inevitable interest in the former (in relation to Aboriginals within the general community) as well as in the latter. At the time of the Committee's inquiry, discussions were proceeding as to how to effect the division, while ensuring provision for proper understanding and co-ordination between the two interested Departments.

Q. A237

88. The Committee was told that, in view of the present actual operation of the welfare function, responsibility for the item in 1973-74 had been placed with the Department of Aboriginal Affairs.

Qs A237 and A239

89. As regards the requirement for additional funds from the Advance to the Treasurer, the Committee was informed that \$62,000 of the sum of \$72,000 was needed to meet increased costs levied by the South Australian Health Authorities for the maintenance of mental patients; and \$10,000 was needed to cope with the increased number of applications for assistance from persons unable to meet family commitments. The Committee was told that the latter increase arose from the rapid growth of population in the Territory.

Exhibit 147/A5

Conclusions

90. The evidence submitted to the Committee on this item disclosed that a substantial amount of expenditure was charged to the Advance to the Treasurer instead of funds being sought in Additional Estimates. The failure to include any amount in Additional Estimates was due to a delay in settling the question of which department should be responsible for controlling this expenditure. The Committee believes that the initiative lay with the Treasury to settle this question quickly following receipt of the Department of the Northern Territory's telex of 2 March, so that funds could be provided in Additional Estimates.

(ii) DIVISION 368/4/10: NORTHERN TERRITORY — GENERAL SERVICES — MINES BRANCH — OPERATIONAL EXPENSES

Funds available	1970-71	1971-72	1972-73
Appropriation Act No. 1	\$. .	\$ 296,000	\$ 401,000
Appropriation Act No. 3 . . . . .	. .	
Appropriation Act No. 4 . . . . .	. .	56,000	
Appropriation Act No. 5 . . . . .	. .	
Advance to the Treasurer . . . . .	. .		136,101
Total funds available	*317,000	352,000	537,101
Total expenditure	316,068	351,940	533,184
Unexpended funds available	932	60	3,917

* In 1970-71 funds were appropriated under an item (368/4/09) which included the operating expenses of the Water Resources Branch.

Exhibit 147 A6

91. This item provides for the operating expenses of the Mines Branch, which controls the mining and petroleum industries in accordance with relevant legislation, provides technical advice to mine-owners, operates mining batteries and undertakes drilling investigations. The item also makes provision for payment of a subsidy to the Northern Territory Port Authority for losses incurred on loading facility operations of iron ore.

Qs A249 to A251

92. As regards technical advice to mine-owners, the Committee understands that it is a service for which it is often inappropriate to levy charges. One of the Department's purposes is to assist industry to become established in the Territory. Also the Department has found that it increases its own expertise from its contacts with industry. Charges are levied, however, (when authorised by legislation), in respect of the Department's preparation for industry of documents, reports and maps. At the time of the inquiry, the rates of charge were being critically examined.

Exhibit 147/A6
and Qs A255 to
A264

93. In connection with the loading facility operated by the Northern Territory Port Authority, the Committee was told that iron ore is transported to Darwin by train from the mine at Frances Creek, stockpiled, lifted by conveyor belt to the cantilever-type loading facility

built on the wharf, and distributed into ship-holds. The loading facility had been installed to handle ore from both the Frances Creek and Mount Bunday mines, with the expectation that its capital cost would be recovered within seven years. Seven years had now elapsed, but the cost had not been fully recovered. The reason was the closing of the Mount Bunday mine two years ago because the penalty payments demanded by Japanese purchasers (on account of the ore's high sulphur content), and the fact that the deposits were not very extensive, made it uneconomic to continue operations. Since the operational cost of the facility is fixed rather than variable and is not related to the through-put of ore, the required Government subsidy had increased with the decrease in the through-put. The witness indicated that, although the facility operation had been uneconomic in the past, through-put at the Frances Creek mine could increase, and other factors could pertain, to make it economically viable in the future.

94. The total increase in expenditure on this item between 1971-72 and 1972-73 was \$181,244. The sum required from the Advance to the Treasurer (\$136,101) was to further subsidise the Port Authority for its loss on the loading facility. (The original appropriation in 1972-73 of \$401,000 had included provision of \$91,000 for subsidy to the Port Authority.) The remainder of the increased expenditure under this item arose from a generally greater demand for the Department's services and the consequent additional operating expenses of the Department's field staff.

Exhibit 147/A6
and Qs A252 and
A277

95. After the Port Authority had submitted its annual account for the loss on its operation of the loading facility to the Northern Territory Administration's Management Services Branch in October 1972, the Administration approached the Central Office of the Department of the Interior in Canberra on 28 November 1972, seeking approval from the Treasury for the commitment of the additional funds required. Shortly after the change of Government, the Department of the Northern Territory was informed that it should approach the Treasury directly. A direct approach to Treasury was made on 20 December 1972 by the Canberra Office of the Department.

Exhibit 147/A6
and Qs A253,
A254, A265 to
A271, and A278 to
A282

96. Within Treasury, the circumstances of the requirement for additional funds were examined, and additional information was requested from the new Department of the Northern Territory in relation to the verification of the account and the terms of the agreements between the mining companies and the Port Authority. Treasury's request for additional information was not made until February 1973, and the warrant authority was not issued until 1 May 1973. The Treasury Observer, Mr Davidson, said that the Department had first asked for an additional \$128,400, but had later amended its requirement to \$136,101; and Treasury was not prepared to settle on the amount until fully conversant with the facts.

Exhibit 147/A6
and Qs A272 to
A275 to A277

97. The Department's final response to Treasury's queries was received on 9 April 1973. The witness told the Committee, however, that most of Treasury's queries were resolved before the Department requested

Exhibit 147/A6
and Qs A272,
A274 and A275

approval for commitment of funds (i.e. 20 December 1972) and that the Department had kept in constant communication with Treasury by telephone and by exchange of papers.

Qs A272, A273
and A282 to A285

98. The witness explained to the Committee that, arising from Treasury's queries, the Department had decided to obtain a copy of the original Cabinet Decision which related to the payment of the subsidy to the Port Authority. There was a delay before the copy could be found, because it was contained in a file of the abolished Department of the Interior. When the file was located, a copy of the relevant paper was extracted and sent to Darwin for examination and preparation of a response to Treasury. The difficulties arising from the Department's decision to obtain a copy of this paper were the major factor in the delay by the Department.

Committee File
1973/2

99. In a supplementary submission to the Committee the Department detailed, in chronological sequence, the action taken to obtain approval for the additional commitment. The submission is summarised below:

<i>Date</i>	<i>Action Taken</i>
6/10/72	Telex to Interior requesting Treasury's approval to an additional liability of \$128,400.
15/11/72	Telex to Interior advising that the financial statements of the mining companies necessary for examination of the Port Authority's claim had been received and were being examined.
29/11/72	Memorandum to Interior advising that the Port Authority's claim and the financial statements from the mining companies had been examined, and that the subsidy was payable; and requesting the issue of warrant authority.
19/12/72	Interior requested to obtain warrant authority from Treasury.
19/12/72	Telex to Interior requesting the issue of warrant.
20/12/72	Department approached Treasury for approval of the additional liability.
5/2/73	Teleprinter to Treasury seeking urgent advice on the current position.
19/2/73	Memorandum received from Treasury requesting advice on the Port Authority's procedures for determining the amount of subsidy payable and the mining companies' conformity with the Cabinet Minute.
6/3/73	Department's Parliamentary Officer requested to provide a copy of the Cabinet Minute.
14/3/73	Call to Treasury requesting clarification of Treasury's memorandum of 19/2/73. The officer concerned was not available and a request was made for him to call back.
16/3/73	Further call to contact the officer, who was once more not available.
26/3/73	Cabinet Minute received. It did not clarify the point raised in Treasury's Memorandum of 19/2/73.
28/3/73	Controller of Finance contacted another Treasury officer in an attempt to clarify Treasury's memorandum of 19/2/73.
6/4/73	Reply to Treasury's memorandum of 19/2/73 despatched air express.
24/4/73	Telex to Treasury requesting urgent provision of funds.
1/5/73	Treasury issued warrant authority.

100. The Committee understands that, since the administrative re-arrangements, the Department approaches all departments (including Treasury) directly from its Central Office in Darwin.

Qs A268 and A269

Conclusions

101. An amount of \$136,101 was obtained from the Advance to the Treasurer for a further subsidy to the Northern Territory Port Authority for losses incurred on loading facility operations of iron ore.

102. The evidence shows that the Northern Territory Administration first approached the Central Office of the Department of the Interior on 6 October 1972 to seek Treasury approval for additional funds for the subsidy. The original amount sought was subsequently amended and the request for the additional commitment of \$136,101 was forwarded to the Treasury by the Department of the Northern Territory on 20 December. The Treasury requested additional information from the Department on 19 February; the information was supplied on 6 April; and Warrant Authority was issued by the Treasury on 1 May 1973.

103. After considering all the circumstances in this matter, including the administrative difficulties caused by the change of Government, the Committee can see no reason why provision for this relatively large amount should not have been made in Additional Estimates. In the Committee's opinion, the former Department of the Interior, the Department of the Northern Territory and the Treasury all contributed to the delays which prevented this happening.

(iii) DIVISION 368/4/27: NORTHERN TERRITORY SERVICES — GENERAL SERVICES — RAILWAY FREIGHT SUBSIDIES

Funds available	1970-71	1971-72	1972-73
	\$	\$	\$
Appropriation Act No. 1	122,000	120,000	123,000
Appropriation Act No. 3 . . . . .	..	..	..
Appropriation Act No. 4 . . . . .	..	..	..
Appropriation Act No. 5 . . . . .	..	..	..
Advance to the Treasurer . . . . .	..	..	7,533
Total funds available	122,000	120,000	130,533
Total expenditure	114,283	79,469	130,533
Unexpended funds available	7,717	40,531	..

104. This item provides for reimbursement to Commonwealth Railways of the cost of concessions allowed in respect of certain classes of freight carried on the Central Australian and North Australian Railways. The purpose of the item is to alleviate the disability suffered by residents of the Northern Territory on account of the high cost of transport.

Exhibit 147/A7
and Qs A288 to
A291

Exhibit 147/A8

105. In an additional submission to the Committee the Department described the areas of subsidy, as follows:

- (i) Commencing in 1935, freight rates on the North Australian Railway were reduced to the level of those operating on the Central Australian Railway.
- (ii) Commencing in 1953, fencing materials were carried over the Central Australian Railway to Alice Springs at half the ordinary freight rates, and
- (iii) Commencing in 1934, a rebate on freight rates was allowed on goods consigned to localities in the Northern Territory situated more than 150 miles from the rail head.

Exhibit 147/8 and
Qs A297 to A299

106. The Committee understands that \$93,972 of the subsidy sum of \$130,533 paid in 1972-73 related to the last-mentioned category of subsidy. An analysis of accounts paid for the twelve months ending March 1972 shows that the principal beneficiaries were the industries and residents of Tennant Creek in the following proportions:

<i>Per cent</i>	
Mining	46
Hotels and stores	24
Others	30

Exhibit 147/ A8
and Qs A292,
A293, A304 and
A035

107. The witness informed the Committee that, in January each year, Commonwealth Railways provides the Department with its assessment of the extent of subsidy likely in the coming financial year. Its assessment for 1972-73 was \$160,000. The Department is not in a position to know how Commonwealth Railways makes its assessment. In January 1973 Commonwealth Railways advised, in respect of the current financial year, that the subsidy payable for the seven months period May/November 1972 was \$86,477, and that a further sum of \$62,000 was expected to be payable for the remaining five months period December 1972/April 1973. (In respect of 1971-72 Commonwealth Railways had advised that \$140,000 would be spent. In the event, only \$102,122 was spent, of which \$48,022 related to the last six months.)

Exhibit 147/A8

108. In March 1973, when the Additional Estimates closed, payment to Commonwealth Railways of \$39,167 in respect of the first two categories of subsidy for the six month period May/October 1972 had been made; and an account for \$37,359 in respect of the distance subsidy for the period August/October 1972 had been received.

Exhibit 147/A8

109. The Department informed the Committee that, because of the completion of a smelter at Tennant Creek, it anticipated (at the time of the Additional Estimates) that the distance subsidy in the last six months of the year would be reduced significantly.

Exhibit 147/A8
and Qs A293,
A302 and A303

110. The Department took the view that the expenditure pattern in 1972-73 for the first six months did not indicate any usable relationship to the pattern of the previous year. On the basis of the advice from

Commonwealth Railways the Department should have anticipated an expenditure of \$148,500; while on a pro-rata basis \$153,000 could have been anticipated; and on the basis of the 1971-72 pattern, \$144,000 (\$76,500 + \$67,500). Comparisons of commitments in 1971-72 and in 1972-73 did not appear useful. The Department tried to establish a pattern of expenditure over the last three years, between the first six months and the last six months, but found that there was no pattern. In view of the uncertainties, and mindful of Commonwealth Railways' estimating performances in previous years, the Department deemed it imprudent at that stage (i.e. in early March) to seek funds in Additional Estimates, and decided to utilise the Advance to the Treasurer as required.

111. The witness explained that, for its own purposes, Commonwealth Railways had adopted an unusual pattern in respect of its quarterly accounts. Details of the relevant accounts submitted by Commonwealth Railways during 1972-73 are as follows:

Exhibit 147/A7,
Qs A294 to A296
and A301, and
Committee File
1973/2

Period	Amount	Date received	Date paid
May/July 1972	\$29,848	14/ 9/72	18/10/72
August/October 1972	9,319	19/12/72	19/ 1/73
August/October 1972	37,359	24/12/72	23/ 3/73
November 1972/January 1973	26,024	28/ 3/73	4/ 5/73
February/April 1973	27,983	14/ 6/73	20/ 6/73

112. The Committee learned in the course of the inquiry that the subsidies in respect of this item have been abolished.

Qs A300 and A301

Conclusions

113. The Committee accepts the Department's explanation and notes that subsidies under this item have been abolished.

CHAPTER 6. DEPARTMENT OF PRIMARY INDUSTRY

(i) DIVISION 398/2/03: FORESTRY AND TIMBER BUREAU — ADMINISTRATIVE EXPENSES — POSTAGE, TELEGRAMS AND TELEPHONE SERVICES

Funds available	1970-71	1971-72	1972-73
Appropriation Act No. 1	\$ 37,000	\$ 34,000	\$ 40,000
Appropriation Act No. 3 . . . . .	..	..	..
Appropriation Act No. 4 . . . . .	..	5,000	..
Appropriation Act No. 5 . . . . .	..	..	..
Advance to the Treasurer . . . . .	..	..	8,000
Total funds available	37,000	39,000	48,000
Total expenditure	36,825	38,759	46,799
Unexpended funds available	175	241	1,201

Exhibit 147/B10
and Qs B179,
B181, B182, B184
and B219

114. Prior to December 1972 the Forestry and Timber Bureau was attached to the Department of National Development which provided it with financial and accounting services. Upon the administrative rearrangements within the Public Service in December 1972 the Bureau was transferred to the Department of Primary Industry. As an interim measure, pending the completion of arrangements for the transfer of staff and records (including pay records, accounts and appropriation ledgers) and pending financial reconciliations, the new Department of Minerals and Energy, which took over most of the functions of the abolished Department of National Development, provided the Bureau with the necessary services. The Department of Primary Industry assumed full financial and accounting control over the Bureau from 1 March 1973. The Treasury Observer, Mr Maunder, explained that 1 March 1973 was a common date within the Public Service for transfer of financial responsibilities between affected departments.

Q. B180

115. The Committee understands that under procedures with both the former Department of National Development and the new Department of Minerals and Energy, the Bureau prepares its own draft estimates and submits them to the Department for consideration. The Department discusses the drafts with the Bureau, and then submits estimates to the Treasury. The procedure is the same with the Department of Primary Industry as it was with the Department of National Development, and is equivalent to the procedure followed elsewhere in the Department.

Exhibit 147/B10
and Q. B183

116. A review of expenditure under the item on 28 February 1973 showed that \$27,911 of the appropriation of \$40,000 had been spent. Because 5 March 1973 was the last date for acceptance of Additional Estimates the Department had to decide quickly whether the balance of \$12,089 would be sufficient to cover expenses during the remaining 4 months of the financial year. The Department stated that \$12,000 of recurrent expenditure had been incurred in the period March/June 1972, but added, at the same time, that the Bureau's expenditure pattern in financial years before 1972-73 was not known. An assessment was made that additional funds would most

likely be required, but the estimate was not more accurate than a sum between nil and \$5,000. The Department considered the alternatives of, on the one hand, additional appropriation for a small amount and further use of the Advance to the Treasurer, if required, or, on the other hand, sole use of the Advance; but, in view of the insufficiency of time and detail to permit the Department to fully assess its requirements, a decision was reached in favour of the latter course.

117. The particular difficulty which faced the Department was that, at the time when the Additional Estimates closed, the records relating to the Bureau were in the process of transfer from the Department of Minerals and Energy to the Department of Primary Industry. The witness explained that the Bureau has establishments in the A.C.T., Victoria (Traralgon), Queensland (Atherton), South Australia (Mount Gambier), Western Australia (Kelmescott), Tasmania (Hobart) and the Northern Territory (Darwin). Arrangements needed to be made in respect of each of the establishments for financial reconciliation and handover of accounts and records. A small amount of overtime was worked in the various offices. Another difficulty was the retirement, since 8 February 1973, of two senior finance officers on grounds of ill-health.

Exhibit 147, B10
and Qs B184,
B185, B207 and
B211 to B213

118. A further review of expenditure in mid-June 1973 indicated that expenditure would be greater than the Department had anticipated earlier. A sum of \$8,000 was sought from the Advance to the Treasurer. The causes attributed to the extra need were as follows:

Exhibit 147, B10
and Qs B186 to
B189

- Additional telephone extensions in the Policy Section, the stores/workshop complex, the controlled environment building, and the logging workshops in the Woden Valley (A.C.T.).
- Increased postal costs arising from the addition to the Bureau in February 1973 of five senior staff.
- Increased printing and despatch of material relating to forthcoming major conferences, in September 1973, October 1973 and April 1974. The witness explained that, although conferences are planned well ahead, the Bureau has always found it very difficult to estimate related costs, particularly for correspondence, printing and despatch of publications, and telephone services.
- New stores procurement functions.

119. The Department supplied the Committee with a breakdown of expenditure under the item as follows:

	A.C.T. (inc. N.S.W.)	Vic.	Qld	S.A.	W.A.	Tas.	N.T.	Total
\$	\$	\$	\$	\$	\$	\$	\$	\$
Telephones and telegrams . . .	31,454	2,381	1,189	25*	1,309	2,370	1,621	40,299
Postage . . .	5,418	275	250	112	95	198	152	6,500
								46,799

* Credit after adjustment with other accounts

Conclusions

120. The Committee accepts the Department's explanation.

(ii) DIVISION 398/2/04: FORESTRY AND TIMBER BUREAU — ADMINISTRATIVE EXPENSES — OFFICE SERVICES

Funds available	1970-71	1971-72	1972-73
Appropriation Act No. 1	\$ 33,000	\$ 32,000	\$ 40,000
Appropriation Act No. 3 . . . . .	..	..	..
Appropriation Act No. 4 . . . . .	..	2,000	..
Appropriation Act No. 5 . . . . .	..	..	2,000
Advance to the Treasurer . . . . .	..	..	4,500
Total funds available	33,000	34,000	46,500
Total expenditure	30,361	33,207	46,235
Unexpended funds available	2,639	793	265

Exhibit 147 B11 121. This item provides funds for office cleaning (including materials used), light, power, fuel and water charges, sanitary services, rubbish and waste removal, minor new works, repairs and maintenance and other miscellaneous costs associated with the maintenance of offices, laboratories, workshops, etc. of the Bureau.

Q. B199 122. The component breakdown of expenditure under the item during 1972-73 was \$8,332 for cleaning and materials; \$30,974 for fuel, light and power; and \$6,929 for repairs, maintenance and minor works.

Exhibit 147 B11 and Qs B202 to B204 123. The Committee was informed that the increase in the appropriation in 1972-73 over that of 1971-72 was attributable to the installation in August 1972 of growth cabinets in a new controlled environment building and the opening in November 1972 of a new stores/workshop complex, which was a floodlit security compound.

Qs B194 to B198, B205 and B206 124. The witness described the growth cabinets as boxes 6 by 6 by 8 in which plants are grown with the aid of artificial illumination and heat and controlled humidity. The illumination is provided by banks of lamps which run constantly. The electricity usage is very heavy, but the Department had been unable to forecast the extent of usage accurately. The witness said that usage of the cabinets fluctuates according to the conduct of research programs into forest growth, at the Bureau's Forest Research Institute and regional stations. The operating cost of the Bureau's cabinets during 1972-73 was \$10,000.

Exhibit 147 B11 and Qs B203 and B204 125. The Committee was told that, as the cabinets did not come under the Department's control until March 1973, and as the Department had no indication earlier about costs, the Department was unable to properly assess the funds requirement until June 1973, when quarterly accounts for the March/June 1973 period had been received.

Exhibit 147/B11 and Q. B200 126. Nevertheless, after the expenditure review on 28 February, which showed that \$33,320 from the appropriation of \$40,000 had been expended

and indicated that the original appropriation would be insufficient, the Department decided to make at least some provision in the Additional Estimates. The Department made its decision after discussions had been held with officers from the Bureau.

127. The Department knew that in the March/June period in 1972, \$7,000 of recurrent expenditure had been incurred on cleaning and materials; fuel, light and power; and repairs, maintenance and minor works. The Department considered it reasonable to anticipate a slightly higher level of expenditure in the corresponding period in 1973. Exhibit 147/B11

128. In mid-June it was clear that additional funds above the \$2,000 provided in Appropriation Act No. 5 would be required. The additional requirement arose as a result of price increases and an overall higher level of usage, particularly of fuel, light and power. The crucial factors appear to have been the very high use of electricity for lighting in the growth cabinets and the stores/workshop complex. Exhibit 147/B11
and Qs B201, B202
and B204

Conclusions

129. The Committee accepts the Department's explanation.

(iii) DIVISION 398/2/05: FORESTRY AND TIMBER BUREAU — ADMINISTRATIVE EXPENSES — MOTOR VEHICLES — HIRE, MAINTENANCE AND RUNNING EXPENSES

Funds available	1970-71	1971-72	1972-73
	\$	\$	\$
Appropriation Act No. 1	65,000	63,000	66,000
Appropriation Act No. 3 . . . . .	..	..	..
Appropriation Act No. 4 . . . . .	..	3,000	..
Appropriation Act No. 5 . . . . .	..	..	5,000
Advance to the Treasurer . . . . .	..	..	12,400
Total funds available	65,000	66,000	83,400
Total expenditure	59,526	65,120	80,993
Unexpended funds available	5,474	880	2,407

130. This item covers the costs associated with the Forestry and Timber Bureau's use of motor vehicles, and includes the costs to the Bureau of hire of passenger and special duty vehicles, and the running costs, regular repairs and maintenance of special duty vehicles. The Bureau runs approximately 100 vehicles and motorised plant. Exhibit 147/B12
and Q. B208

131. A review of expenditure under this item at the end of February 1973 showed that \$58,600 of the appropriation of \$66,000 had been spent. The Department had some doubt as to whether expenditure could be contained within the appropriation. The transfer of financial and accounting records at this time, however, made it difficult for the Department to attempt an accurate estimate. Exhibit 147/B12

Exhibit 147/B12
and Qs B214 and
B215

132. The course which was followed was to seek \$5,000 from the additional appropriation to cover expenditure on abnormal repairs and vehicle maintenance which had been incurred, and to seek further funds, if required, from the Advance to the Treasurer. In relation to the abnormal repairs, the witness said that the Bureau uses logging equipment, including de-barking machines, which, in the event of major breakdown, can be very expensive to repair. A sum in the order of \$12,000 was billed in 1972-73 for the repair of items of logging equipment. The Department has experienced variations of expenditure to cover repairs of this kind for a year ranging from nil to about \$20,000.

Exhibit 147/B12
and Qs B216 to
B218

133. An expenditure review in mid-June indicated a need for further funds. Officers from both the Department's Finance Section and the Bureau tried to ascertain the reasons. The reasons were as follows:

- Under an agreement between the Department of the Capital Territory and the Bureau, the hire rate for vehicles on hire to the Bureau from the Department of the Capital Territory was reduced by a cent per mile. The agreement was to have operated from 27 November 1972, but adjustment of the rates in accordance with the agreement had not been made at 30 June 1973. The overcharge to the Bureau was calculated at \$2,045, and this sum accounted for part of the unanticipated increased expenditure on the item.
- Vehicle mileage increased as a result of the Bureau's additional workload. Additional vehicles were used. In the A.C.T., mileage on vehicles on hire to the Bureau from the Department of the Capital Territory was 32,000 miles more in the March/June 1973 period than in the corresponding period in 1972. Two particular problems which led to increased vehicle usage were the incidence of severe fires in Victoria and Kosciusko National Park, and a termite attack on railway sleepers in the Pilbara area of Western Australia. Both problems were, of course, unanticipated.

It was estimated that expenditure on the item could reach \$83,400. Accordingly, \$12,400 was sought from the Advance to the Treasurer. At the close of the financial year \$2,407 was unspent.

Conclusions

134. It appears to the Committee that the Department was justified in seeking funds in the Additional Estimates and from the Advance to the Treasurer. However, the Committee believes that the Department should have been able to make a more accurate estimate of the amount required from the Advance to the Treasurer, considering that the expenditure review took place in mid-June.

(iv) DIVISION 410/3/02: ADMINISTRATIVE — OTHER SERVICES —
TOBACCO RESEARCH (FOR PAYMENT TO THE TOBACCO INDUSTRY
TRUST ACCOUNT)

Funds available	1970-71	1971-72	1972-73
	\$	\$	\$
Appropriation Act No. 1	380,000	450,000	400,000
Appropriation Act No. 3 . . . . .	..	..	..
Appropriation Act No. 4 . . . . .	..	..	..
Appropriation Act No. 5 . . . . .	..	..	..
Advance to the Treasurer . . . . .	..	..	58,000
Total funds available	380,000	450,000	458,000
Total expenditure	370,000	450,000	457,999
Unexpended funds available	10,000	..	1

135. This item provides for the Australian Government contribution to the Tobacco Industry Trust Account. From 1 July 1964 the Government has contributed an amount equal to half the total sum approved by the Minister to be expended from the Account, on the understanding that the Government contribution should not exceed expenditure of contributions from the tobacco industry. The Government contribution to the Account is paid progressively during the financial year as moneys are expended from the Account in accordance with the approved research programme. Under the arrangement, payments are made principally to the New South Wales and Victorian Departments of Agriculture, the Queensland Department of Primary Industries and the C.S.I.R.O. The arrangement replaced the previous system of grants made to the C.S.I.R.O. and the Department for work on tobacco leaf production and extension.

Exhibit 147/B13
and Qs B221 and
B224

136. Describing the research activities undertaken, the witness said that the C.S.I.R.O. researches the effects of environmental and physiological factors on the yield and quality of tobacco leaf, and breeds cultivars to combine disease resistance with improved yield; the New South Wales Department, with a small staff, runs adaptive experiments, of recent years primarily in relation to sucker control and fertilisers; the Victorian Department concentrates on agronomic, nutritional and crop protection aspects; and the Queensland Department conducts a broad programme of agronomic and entomological research. The major research efforts are conducted in Queensland.

Q. B222

Exhibit 147/B13

Exhibit 147/B13
and Q. B225

138. In 1972-73, provision of \$400,000 was made in the original estimate for this item, in the knowledge that the approved program was \$925,358. The Committee was informed that the Department endeavours to make original provision for no more than it judges will be expended in the full year, and keeps in mind that, if it under-estimates, additional funds to meet the Government commitment can be provided for in the Additional Estimates.

Qs B223 and B224

139. An approved program comprises both existing and new projects. In relation to new projects, the research organisations cannot commit funds until a programme has received Ministerial approval. By the time that approval is notified, specialist staff recruited, equipment obtained, and other administrative arrangements made, delays have occurred that lead to under-expenditure. Through experience, the Department frames its estimates on the assumption that under-expenditure of the approved program is the norm.

Exhibit 147/B13

140. An expenditure review at the end of February 1973 indicated that the required Government contribution would not exceed the original estimate of \$400,000. Expenditure from the Account to that date was \$567,000 which required a Government contribution of only \$283,500.

Exhibit 147/B13

141. Between March and June 1973 the rate of expenditure from the Account increased significantly, and further expenditure of \$349,000 was incurred. A Government contribution of \$458,000 was required by the end of the financial year, as \$916,000 had been expended from the Account. Accordingly, \$58,000 was sought from the Advance to the Treasurer.

Conclusions

142. The Committee accepts the Department's explanation.

(v) DIVISION 412/2/03: ADMINISTRATION OF THE COMMERCE (TRADE DESCRIPTIONS) ACT — ADMINISTRATIVE EXPENSES — PAYMENTS TO STATES FOR SERVICES IN CONNEXION WITH INSPECTIONS OF FRESH FRUIT, SEEDS, PLANTS, VEGETABLES AND OTHER ITEMS

Funds available	1970-71	1971-72	1972-73
	\$	\$	\$
Appropriation Act No. 1	765,000	937,000	1,145,000
Appropriation Act No. 3	103,000		
Appropriation Act No. 4		80,000	
Appropriation Act No. 5			
Advance to the Treasurer			34,600
Total funds available	868,000	1,017,000	1,179,592
Total expenditure	861,973	1,016,372	1,179,592
Unexpended funds available	6,027	628	8

Exhibit 147/B14

143. This item provides for the reimbursement to State Departments of costs incurred by them, on behalf of the Australian Government, on export inspection services. In the main inspection services are provided for grains, flour, ships' holds, fresh fruit, vegetables and timber. Provision was also

made for reimbursement to the State Department of Education, Western Australia for costs which it incurred in conducting Meat Inspector-in-training courses on behalf of the Australian Government.

144. In February 1972 the Department sought detailed estimates of expenditure from all State departments for export inspection operations to be performed in 1972-73 on behalf of the Australian Government. The State departments were requested to furnish the estimates by the end of March, to allow the Department sufficient time in which to examine them before its submission of draft estimates to the Treasury at the end of April.

Exhibit 147/B14

145. On receipt of the State departments' estimates, the Department's Finance Section consults with the Industry Divisions responsible for the administration of the various inspection services. Equipped with expert advice on seasonal trends and comments on the State departments' estimates, the Section revises the estimates if this is considered desirable. Adjustments are made sometimes in cases where a State department seeks to recruit additional staff, or purchase new equipment or vehicles. The Department relies, however, on the State departments' assessments as much as on its own.

Exhibit 147/B14
and Q. B227

146. The original estimate for the item was \$1,095,000 plus a provision of \$50,000 for reimbursement to the Western Australian Department of Education.

Exhibit 147/B14

147. The Committee was informed that the Department's experience has been that it is extremely rare for claims for reimbursement to be precisely the amounts estimated. Almost constantly variations — plus or minus — occur in respect of each of the State departments. The main causes of variations are wage increases, seasonal production which determines the volume for export, and seasonal commercial circumstances (e.g. shipping availability and the export market.) The Department bases its estimates on the estimates submitted by the State departments and on other information available to it at the time.

Exhibit 147/B14
and Q. B228

148. At the mid-point of the financial year the State departments were asked to furnish revised estimates. The Department considered that there would be no substantial variation from the expenditure originally estimated for the year, and no provision was made in the Additional Estimates. The following table shows the variations in estimates as at the end of January 1973:

Exhibit 147/B14

State Department	Original Estimate	Revised Estimate	Variation
	\$	\$	\$
Agriculture — N.S.W.			
Fresh fruit and vegetables	50,200	58,600	+8,400
Grain and flour	87,500	78,600	-8,900
Forestry Commission — N.S.W.			
Timber	5,800	5,800	Nil
Agriculture — Vic.			
Fresh fruit and vegetables	115,900	115,900	Nil
Grain and flour	124,800	126,900	+2,100
Primary Industries — Qld.			
Fresh fruit and vegetables	53,400	58,700	+5,300
Grain and flour	50,400	54,500	+4,100
Health — Qld.			
Analytical Services	39,000	43,000	+4,000
Agriculture — S.A.			
Fresh fruit and vegetables	77,800	97,500	+19,700
Government Produce — S.A.			
Grain and flour	154,000	121,500	-32,500 ¹
Agriculture — W.A.			
Fresh fruit and vegetables	101,700	94,400	-7,300
Grain and flour	105,100	114,400	+9,300
Agriculture — Tas.			
Fresh fruit and vegetables	129,400	131,600	+2,200
Education — W.A.			
Meat inspector-in-training courses	50,000	29,600	-20,400 ²
	1,145,000	1,131,000	-14,000

1. This variation was due to reductions in salaries and administrative costs in a poor wheat season in which exports were limited (Q. B237).
2. The full requirement of \$50,000 had been appropriated in 1972-73, but part of this sum was required in June 1972 to pay salaries and allowances to trainees when the courses commenced earlier than had been anticipated, and expenditure in 1972-73 was consequently reduced (Qs B238 and B239).

Exhibit
147, B14 and
147, B15

149. In justification of its decision not to seek funds provision in the Additional Estimates, the Department informed the Committee that, while \$1,145,000 had been estimated originally, only \$431,738 had been expended at the end of March. In fact, only \$595,920 had been expended at the end of May.

150. In explanation of how the need for \$34,600 from the Advance to the Treasurer arose, the Department supplied the Committee with a schedule of payments, which illustrated its statement that there are considerable differences amongst the State departments as to the frequency of claims and the periods for which claims are made. Some claims in 1972-73 were lodged quarterly, and others two-monthly, six-monthly and annually; and particular departments did not in all cases claim consistently. In some instances the Department makes quarterly, six-monthly and annual advances, and makes credit adjustments in respect of previous periods, but otherwise it makes payment on receipt of claims. Despite the variation in receipt of claims, the witness said that a pattern of expenditure under this item has been established.

Exhibit 147/B15
and Q. B 232

151. The Committee was informed that it is usual for the bulk of expenditure under this item to be incurred late in the financial year. The Department assured the Committee that this state of affairs did not arise solely because it wished to meet its expenditure allocation. The Committee was told that it is predictable that significant annual claims will be received late in the year.

Qs B229 to B231
and B234

152. The witness said that the State departments do not delay unnecessarily before submitting their claims to the Department, and the Department did not consider it necessary in 1972-73 to issue any reminder notices.

Qs B232 and B233

153. The Committee notes from the schedule of payments submitted by the Department that most payments were made two or three months after the expiry of the periods to which they related. As regards the South Australian Department of Agriculture, two payments of claims were made four and five months after the expiry of the quarters to which they related. The schedule did not provide the dates of claims.

Exhibit 147/B15

154. As far as annual advance payments are concerned, two of the three listed were made in June 1973. Other advances (with one exception) were made at or after the expiry of the periods to which they related.

Exhibit 147/B15

155. Despite the time-lags which occurred throughout the year the Department was able to make payment on every claim received, or to make due advances, before the end of the financial year. Payments were made in June 1973, as follows:

Exhibit 147/B15
and Q. B236

State department	Period	Amount
		\$
Agriculture — N.S.W.	Jan.-Mar. 1973	29,059
	Apr.-June 1973	44,512
Agriculture — Vic.	Jan.-June 1973	80,745
	Jan.-June 1973	53,986
Primary Industries —	year	56,618
Qld.	year	58,888
Agriculture — S.A.	Jan.-Mar. 1973	6,716
	Apr.-June 1973	19,183
Government Produce — S.A.	April 1973	7,558
Agriculture — W.A.	year	110,751
	year	78,709
Agriculture — Tas.	July 1972-May 1973	99,941
		566,666

Exhibit 147/B15
and Q. B235

156. The Department told the Committee that it attributed the need for funds from the Advance to the Treasurer mainly to the level of expenditure by the Victorian Department of Agriculture. \$55,000 more than had been anticipated was paid to the Victorian Department. The witness explained that a six-monthly claim was received in September 1972 for the period January to June 1972. This was paid in September 1972 and was overlooked, at the time of preparation of the Additional Estimates, as an extra payment to be accounted for under the item in 1972-73. The Committee was informed that the diversity of claiming procedures amongst the various State departments allowed the oversight to occur.

157. The Committee understands that the Department is taking steps to introduce a uniform system of reimbursement in order to eliminate most, if not all, of its estimating and other difficulties, and it has discussed its problems with the State departments.

Conclusions

158. While the Committee recognises the problems confronting the Department in preparing accurate estimates and controlling expenditure on this type of item, the Committee considers that the extra payment made to the Victorian Department of Agriculture in September 1972, which was the main reason for recourse to the Advance to the Treasurer, should not have been overlooked when Additional Estimates were being considered. Although the diversity of claims procedures from the various States was obviously a contributing factor — and we note that steps are being taken to introduce a uniform system of re-imbursement — the Committee considers that the Department should also review its estimating procedures to ensure that similar omissions from estimates calculations are not made in future.

CHAPTER 7 DEPARTMENT OF SCIENCE
DIVISION 231/2/03: METRIC CONVERSION BOARD — ADMINISTRATIVE
EXPENSES — POSTAGE, TELEGRAMS AND TELEPHONE SERVICES

Funds available	1970-71	1971-72	1972-73
	\$	\$	\$
Appropriation Act No. 1	5,000	22,000	17,200
Appropriation Act No. 3	5,000	2,300	..
Appropriation Act No. 5 . . . . .	..	..	5,900
Advance to the Treasurer . . . . .	..	..	2,300
Total funds available	10,000	24,300	25,400
Total expenditure	7,858	24,078	25,595
Unexpended funds available	2,142	222	-195

159. This item provides for costs of postage, telegrams and telephone services in connection with the activities of the Metric Conversion Board. The Committee was informed that funds provided to the Department of Science for this item are made available to the Board, and officers of the Board have sufficient delegation from the Minister and Secretary of the Department to enable them to operate relatively independently of the Department in financial matters. Apart from these delegations they are not independent of the Department as far as Treasury procedures are concerned.

Exhibit 147/A18
and Qs A448 and
A449

160. Explaining the decrease in the original appropriation in 1972-73, the witness said that the Board had estimated a significant reduction in postage costs from 1971-72, in which year committee meetings, which had been held at peak frequency, had generated a large volume of mail. A decrease in the number of meetings in 1972-73 had been anticipated.

Exhibit 147/A18
and Q. A450

161. There was in fact a reduction in postage costs, but not of the order that had been anticipated. In the additional estimate, \$1,500 of the total additional estimated requirement of \$5,900 was to cover postage costs. The Committee understands that the volume of material required to be distributed to committees and organisations was greater than had been originally anticipated.

Exhibit 147/A18
and Q. A451

162. The further unanticipated need arose primarily in relation to telephone services. The Committee was told that telephone communications between officers of the Board and outside persons involved in metric conversion activities are widespread, and necessitate regular use of S.T.D. facilities. The need for additional funds became apparent as early as July 1972 on the receipt of accounts.

Exhibit 147/A18

163. An amount of \$8,800 was first estimated as the additional requirement but, because of uncertainty, the Treasury advised that only \$5,900 should be sought under Appropriation Act No. 5, and that extra funds, if required, should be sought subsequently from the Advance to the Treasurer. The substantial cause of the uncertainty was the transfer of responsibility for handling certain telephone accounts relating to the Board's activities in Melbourne from the Department of Education and

Exhibit 147/A18
and Qs A456 and
A457

Science to the Board. After the Department's initial receipt of these accounts early in the financial year, and its notice to the Board that the time had arrived for the Board to handle its own accounts, considerable documentation ensued to effect the transfer. Accounts were not received at the Board until 26 April 1973. At this time the Postmaster-General's Department indicated that it would make certain adjustments so that the Board would bear telephone costs due to the same date. The Department was unable to predict, however, when the adjustment would be submitted.

Exhibit 147/A18
and Qs A451,
A453 to A456,
A461 and A462

164. Other difficulties which faced the Department of Science at the time of preparation of the Additional Estimates were an improvement in the rate at which the Postmaster-General's Department forwarded accounts, and changes in its pattern of metering calls. The Postmaster-General's Department informed the Board that it did not have the facilities to predict the rate at which future accounts would be submitted; and also that, as a result of changes in its metering pattern, it was unable to advise the costs of the Board's main telephone services in Sydney. The witness did not know why these costs could not have been advised.

Qs A458 to A462

165. In explanation of the metering processes of the Postmaster-General's Department, the witness said that normally in any structure of lines on a sizeable switchboard one particular line will bear the substantial proportion of the overall charge. When the Board received an account for its main line, however, the charge was significantly less than could have been expected. It appears that the Postmaster-General's Department had decided to charge some of its additional charges to another line number, but had not informed the Board.

Exhibit 147/A18

166. Because of the uncertainty at the time of preparation of the Additional Estimates, as to both the size of accounts due and the timing of their receipt, the final estimate for the additional appropriation was based on actual accounts in hand.

Exhibit 147/A18
and Qs A452,
A463 and A464

167. Before the end of the financial year further accounts were received, and to meet them the Department sought \$2,300 from the Advance to the Treasurer. Because of a breakdown in internal checking, apparently resulting from work-pressure in the Department's Finance Section, \$195 was spent under the item in excess of what was authorised by Warrant Authority. In explanation, the witness said that in March 1973 the Department approached the Treasury for \$500 from the Advance to the Treasurer, pending Additional Estimates; and, after further accounts were received in May, further approaches were made for \$6,600 and \$1,300. Two Warrant Authorities, one for \$500 and one for \$7,900, were issued by the Treasury. The amount of \$8,400 was made available by the Department by Warrant Advice to the Sub-Treasury, Sydney. When Appropriation Act No. 5 was passed, \$5,900 of the Warrant Authorities issued should have automatically lapsed. However, because the Warrant Authority for \$7,900 had been made available directly from the Advance to the Treasurer, the Department was required to request its withdrawal

and the issue of a new one for the difference between the total of the two Warrant Authorities issued (\$8,400) and the amount included in the new appropriation (\$5,900). The Department sought, in error, Warrant Authority for \$2,300 instead of \$2,500. Had the correct amount been sought the item would have been underexpended by \$5.

Conclusions

168. On the basis of the evidence it appears to the Committee that the Department was justified in seeking funds from the Advance to the Treasurer. The evidence shows that the overexpenditure that occurred on this item arose from an error in the Department of Science during the process of preparing material relating to the Advance to the Treasurer. This error resulted in the charging of an amount of \$195 to the Advance to the Treasurer without a Warrant Authority, in contravention of Treasury Regulation 90(1). The details of this Regulation have been set out previously in this Report, in connection with Division 232/1/09 relating to the Department of Education.

169. The Committee believes that the clerical error made by the Department should not have occurred and that appropriate action should be taken by the Department to guard against a repetition of errors of this kind.

170. A further matter to which the Committee would like to draw attention relates to the briefness of the evidence tendered. In this regard we note that in its written submission the Department devoted less than two lines to explaining the reasons why it was necessary to seek funds from the Advance to the Treasurer, and no mention was made of the unauthorised expenditure. The Committee would draw attention to Treasury Memorandum 66/385 of 16 October 1970 to all Permanent Heads. This memorandum included the following statement:

Not only has the Committee the right to expect that witnesses appearing before it are properly briefed but it is in the interests of each department and the Service generally that evidence tendered to the Joint Committee of Public Accounts is of the highest quality. Written submissions and explanations should be carefully prepared and thoroughly checked for adequacy and accuracy of detail and absence of ambiguity; officers who are to appear before the Committee to give evidence should undertake sufficient research and preparation and should be thoroughly briefed to enable them to answer, with authority, any questions which may reasonably be expected on the subject matter of the inquiry.

It would be appreciated if this circular could be brought to the attention of all officers of your Department who become concerned with the preparation of written material for the Committee or are required to attend in person at future hearings of the Committee and all Commonwealth Authorities whose affairs come under the administration of your Minister.

CHAPTER 8. DEPARTMENT OF SERVICES AND PROPERTY
DIVISION 357/1/02: ELECTORAL BRANCH — SALARIES AND
PAYMENTS IN THE NATURE OF SALARY — OVERTIME

Funds available	1970-71	1971-72	1972-73
Appropriation Act No. 1	\$ 5,000	\$ 4,000	\$ 6,000
Appropriation Act No. 3 . . . . .	..	..	..
Appropriation Act No. 4 . . . . .	..	..	..
Appropriation Act No. 5 . . . . .	..	..	..
Advance to the Treasurer . . . . .	..	..	..
Total funds available	5,000	4,000	6,000
Total expenditure	3,018	3,807	6,285.20
Unexpended funds available	1,982	193	-285.20

Exhibit 147/A13 171. This item provided for payment of overtime to officers and employees of the Electoral Branch.

Exhibit 147/A13 and Qs A342, A345 and A346 172. The Department informed the Committee that the expenditure of \$285.20 without warrant authority occurred in relation to the payment of overtime incurred when, in order to standardise, the computer programs for electoral rolls were rewritten from a FORTRAN computer language to a COBOL language.

Exhibit 147/A13 and Qs A342, A343 and A351 173. The witness explained that when overtime is incurred in the performance of other than normal duties it is debited to the vote concerned with that particular project; in this instance Division 357/2/05, Administration of the Electoral Act. However, to ensure that overtime is taxed correctly, it is paid through the A.D.P. salary system controlled by the Sub-Treasury and debited initially to the overtime vote. Later, the overtime vote is credited and the administrative vote is debited.

Exhibit 147/A13 and Q. A344 174. Two Authorising Officers are involved in the transactions: the Authorising Officer in the Electoral Office in respect of the administrative vote 357/2/05 and the Authorising Officer in the Canberra Sub-Treasury in respect of the overtime vote 357/1/02.

Exhibit 147/A13 and Qs A347 and A348 175. On 28 June 1973 the Electoral Office forwarded by hand a Transfer Account Form to the Director of the Canberra Sub-Treasury, by \$356.19 debiting Division 357/2/05 including the overtime vote 357/1/02. The Authorising Officer for Electoral Office salaries at the Sub-Treasury did not authorise the credit to the overtime vote in time, and an over-expenditure of \$285.20 on this item resulted.

Q.A349 176. The Treasury Observer, Mr. Davidson, explained to the Committee that, if the Authorising Officer in the Sub-Treasury had not omitted to credit the overtime vote, the overexpenditure would not have occurred.

Conclusions

177. The Committee accepts the Department's explanation in respect of the over-expenditure:

178. The evidence shows that the over-expenditure resulted from an oversight in the Canberra Sub-Treasury. It appears to the Committee that the accounting action necessary to effect the transfers between the two votes is cumbersome and liable to error. The Committee believes that the Treasury should examine the system operating in the Sub-Treasury, Canberra for transfers of this kind, with a view to streamlining the procedures and reducing the risk of a similar occurrence.

CHAPTER 9. DEPARTMENT OF WORKS

DIVISION 925/4/07: CAPITAL WORKS AND SERVICES — BUILDING AND WORKS — NORTHERN TERRITORY SERVICES — DEPARTMENT OF EDUCATION

Funds available	1970-71	1971-72	1972-73
	\$	\$	\$
Appropriation Act No. 2	
Appropriation Act No. 4	4,395,000
Advance to the Treasurer	
Total funds available			4,395,000
Total expenditure			4,396,870
Expenditure in excess of appropriation			1,870

Exhibit 147/B16

179. This item provides for the Buildings and Works requirements of the Department of Education in the Northern Territory. These requirements were charged to the Department of Education and Science until the end of February 1973, under Division 925/4/01. Division 925/4/07 commenced from 1 March 1973, and provision was first made in Appropriation Act No. 4. The sum provided (\$4,395,000) was the expenditure estimated to be incurred for the period 1 March — 30 June 1973 on works in hand or still to be commenced under the previous program of requirements of the Department of Education and Science. The major works in hand were the Casuarina High School, the Community College and the Nakara Primary and Pre-school — all in Darwin — and the Bradshaw Primary and Pre-school in Alice Springs.

Exhibit 147/B16
and Qs B243 and
B244

180. In explanation of the expenditure of \$1,870 in excess of the appropriation, the Department informed the Committee that throughout each financial year, and particularly during May and June when expenditure is approaching the level of available warrant authority, an independent record is maintained within the Department which lists progressive expenditure to be processed through the Appropriation Ledger. The responsible Authorising Officer is required to list all vouchers before processing to ensure that warrant is available. In respect of this item, however, the voucher was processed without the controlling entry. The Department stated that this represented a breakdown in procedure due to human error. The Authorising Officer responsible for the irregularity had furnished an explanatory statement in the following terms:

Towards end of the 1972/73 Financial Year a voucher was processed as a debit to Division 925/4/07 for an amount of \$2,745.70 thus causing an overexpenditure of the Division. Although a very stringent check was being maintained over all vouchers passed to the machinists for processing this voucher was not recorded.

The seriousness of such overspending is realised and it can be assured that more exacting control will be endeavoured in future.

The precise date on which the voucher was processed was 28 June. The witness explained that the very stringent check that was maintained was a

comparison of the sum of payments made to date, plus payments to be made, against the statement in the register of available warrant.

181. The Department was most concerned that the breach had occurred and said that the irregularity had been drawn to the attention of all Authorising Officers within the Department, and the importance of funds control had again been emphasised.

Exhibit 147/B16

182. In its submission to the Committee the Department referred to the Treasury A.D.P. revenue ledger system, which the Department has utilised since 1 July 1972. The Treasury Observer, Mr. Maunder, informed the Committee that there are two levels of recording in the A.D.P. system. Firstly, for what is called a 'ledger' department, a daily record is produced showing warrant available, expenditure and commitments sub-costed for each item. This record also produced exception reports which indicate if cheques have been drawn in excess of Warrant Authority. Secondly, for what is called a 'non-ledger' department, daily expenditure levels are recorded in less detail, and exception reports indicating excess expenditure are not produced.

Exhibit 147/B16
and Q. B256

183. It was explained to the Committee that the Department of Works is a 'non-ledger' department as far as the Treasury A.D.P. system is concerned, and the Department maintains its own Appropriation Ledger. The witness explained that the Department introduced an exception report procedure into its accounting system from 1 July 1973. The Committee was told that there is provision for the processing of vouchers of an urgent nature to the Sub-Treasury prior to their being posted to the Department's Appropriation Ledger. Under these circumstances it is the responsibility of the Authorising Officer to keep a separate manual record. The voucher which caused the unauthorised overexpenditure slipped through without being recorded by the Authorising Officer.

Qs B248, B249 and
B256

184. During the course of its inquiry, the Committee noted that, had the voucher for \$2,745.70 under discussion not been processed, the item would have been only \$875.70 underexpended. In view of the fact that provision of \$4,395.000 had been made under the item, this would have represented a good expenditure result. The Committee queried whether the Department had claims on hand before the end of the financial year that were unpaid, and was assured that it had not.

Qs B250 to B254

Conclusions

185. The Committee's main concern with this item is that an amount of \$1,870 was charged to the Advance to the Treasurer without Warrant Authority, in contravention of Treasury Regulation 90(1). The details of this Regulation have been set out previously in this Report in connection with Division 232/1/09 relating to the Department of Education.

186. The irregularity occurred because the particular voucher which caused the overcharge had not been entered into the appropriate record of progressive expenditure. The Committee notes that the breach of the Regulation has been drawn to the attention of all Authorising Officers

within the Department, and the importance of funds control has again been emphasised. The Committee trusts that this will have the desired effect of producing a more exacting control over expenditure.

CHAPTER 10 GENERAL CONCLUSIONS

187. In Chapter 1 of this Report, the Committee stated that in examining expenditure from the Advance to the Treasurer, it has sought to ascertain whether or not expenditure from the Advance has been confined to urgent and unforeseeable requirements for which provision could not have been made in the Original and Additional Estimates. The Committee has also sought to ascertain whether or not the departments concerned have maintained efficient administration in the expenditure of funds under the items selected for public inquiry.

188. This inquiry has shown that in some cases expenditure from the Advance to the Treasurer was confined to urgent and unforeseeable requirements for which provision could not have been made in the Appropriation Acts. In other cases, however, there was evidence of clerical errors, inefficient estimating procedures, and delays which caused expenditure to be charged to the Advance when provision should properly have been made in the Additional Estimates. Attention has been drawn to these inadequacies where they have been discovered.

189. One disturbing feature to which the Committee would invite particular attention relates to the fact that in four cases amounts were charged to the Advance to the Treasurer without Warrant Authority, in contravention of Treasury Regulation 90(1). All of these overcharges were caused by clerical errors. The Committee would again remind departments of the requirements of Treasury Regulation 90(1) which is expressed in the following terms:

An Authorising Officer shall not authorise expenditure from Revenue or Loan appropriations until a Warrant Authority for Expenditure authorising expenditure accordingly has been obtained from the Secretary."

190. A further matter to which the Committee would invite specific attention relates to the briefness of some departmental explanations and the fact that some witnesses appearing before the Committee were inadequately briefed. In this regard we would again draw the attention of departments to Memorandum 66/385 of 16 October 1970 from the Secretary to the Treasury to all Permanent Heads which related to the preparation of material and the briefing of witnesses, and included the following statement:

Not only has the Committee the right to expect that witnesses appearing before it are properly briefed but it is in the interests of each department and the Service generally that evidence tendered to the Joint Committee of Public Accounts is of the highest quality. Written submissions and explanations should be carefully prepared and thoroughly checked for adequacy and accuracy of detail and absence of ambiguity; officers who are to appear before the Committee to give evidence should undertake sufficient research and preparation and should be thoroughly briefed to enable them to answer, with authority, any questions which may reasonably be expected on the subject matter of the inquiry.

It would be appreciated if this circular could be brought to the attention of all officers of your Department who become concerned with the preparation of written material for the Committee or are required to attend in person at future hearings of the Committee and all Commonwealth authorities whose affairs come under the administration of your Minister.

For and on behalf of the Committee,

R.E. McAULIFFE
Chairman

T. Devin
Secretary
Joint Committee of Public Accounts
Parliament House
Canberra, A.C.T.
19 November 1973