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Annual Report 1979

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179

Joint Committee of
Public Accounts

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

JOINT COMMITTEE OF PUBLIC ACCOUNTS

179th REPORT

ANNUAL REPORT 1979

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JOINT COMMITTEE OF PUBLIC ACCOUNTS

TWELFTH COMMITTEE

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V.J. MARTIN, M.P. (Vice-Chairman)

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Senator J.O.W. WATSON

Senator G. GEORGES

The Hon K.M. CAIRNS, MP

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B.O. JONES, M.P.

F.L. O'KEEFE, A.M., M.P.

J.C. KERIN, M.P.

DUTIES OF THE COMMITTEE

Section 8.(1) of the Public Accounts Committee Act 1951 reads as follows:

- 8.(1) Subject to sub-section (2), the duties of the Committee are:
- (a) to examine the accounts of the receipts and expenditure of the Commonwealth including the financial statements transmitted to the Auditor-General under sub-section (4) of section 50 of the Audit Act 1901;
 - (aa) to examine the financial affairs of authorities of the Commonwealth to which this Act applies and of intergovernmental bodies to which this Act applies;
 - (ab) to examine all reports of the Auditor-General (including reports of the results of efficiency audits) copies of which have been laid before the Houses of the Parliament;
 - (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.

ANNUAL REPORT - 1979

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CHAPTER 1

PUBLIC ACCOUNTS COMMITTEE

Introduction

1.1 In 1976 the Chairman of the Joint Parliamentary Committee of Public Accounts adopted the practice of informing the Parliament of the activities of the Committee during the past year.

1.2 This report reviews the salient points contained in reports tabled during the year 1979, issues arising out of our inquiries and other matters which the Committee regards as significant in its development during the year.

1.3 In reporting this way to Parliament, the Committee has recognised its responsibility as a statutory body to report on its activities. This Committee has always taken the view that bodies established by the Parliament should report to the Parliament and has been in the vanguard of encouraging increased standards and regularity in reporting.

1.4 The Committee is uniquely placed to advise Parliament on the efficiency and effectiveness of systems for the control of procedures and is required to comment on any matters of public administration and finance of which it believes parliament should be aware. The Committee holds as a basic tenet that improvement in these areas is dependent upon the degree of responsibility shown by senior managers in departments and authorities. This is the theme of this Annual Report.

Origin of the Public Accounts Committee

1.5 Parliamentary procedures for considering public expenditure throughout the Commonwealth derive from the Westminster model of the mid 19th century. The key features were in place in 1861 when Gladstone completed what he called the "circle of control" by the establishment of the Public Accounts Committee, shortly followed by a unified office of Comptroller and Auditor-General heading the Exchequer and Audit Departments.

1.6 In 1895 a Public Accounts Committee was established in the colony of Victoria with duties very similar to those that were later introduced by the Commonwealth in 1913 and which were retained in the Public Accounts Committee Act of 1951. Its predecessor had been disbanded in 1932 in order - somewhat curiously - to contribute to savings in public expenditure.

1.7 This Committee recommenced operations under the Chairmanship of the most distinguished late Emeritus Professor F.A. Bland C.M.G., M.P. the first Professor of Public Administration in Australia. In contrast to the practice of other Commonwealth countries with a multi-party system, the Chairman of the Australian Committee comes from the government party, rather than from the opposition.

1.8 The Committee comprises three Members of the Senate, and seven Members of the House of Representatives. In addition, the Chairman of the House of Representatives Standing Committee on Expenditure is an ex-officio Member, with the Chairman of the Public Accounts Committee holding a similar position on the Expenditure Committee.

1.9 As a result of its inquiries and reports the Committee has been responsible for a great number of changes in government's accounting practices and procedures, and has made some valuable contributions to Public Administration and Public Finance in Australia.

CHAPTER 2

THE DUTIES AND OPERATIONS OF THE COMMITTEE

Background

2.1 Parliament demands information, requires Ministerial accountability, and exercises a degree of control by insisting on the right to examine, to propose, to debate alternatives and to criticise. The five elements - information, accountability, examination, debate and criticism are the bases of Parliamentary Democracy. John Stuart Mill wrote:

"The proper office of Parliament is to watch and control the Government, to throw the light of publicity on its acts, to compel a full exposition and justification of all of those which anyone considers questionable, to censure them if found to merit condemnation"

2.2 Control of appropriations is the Parliament's most fundamental power.

2.3 Section 83 of the Constitution provides that "no money shall be drawn from the Treasury of the Commonwealth except under appropriation made by law." Ministers are responsible and accountable under Section 64 of the Constitution for the actions of their departments. Scrutiny by Parliament is possible through the various Parliamentary Procedures (questions with and without notice, debates, motions), or through its committees, or via the media, as well as through the Reports of the Auditor-General.

2.4 A special feature of Government accounting is absolute accountability. Extreme care must be exercised in accounting for public funds, together with a comprehensive system of reporting to the taxpayer, through Parliament, the Auditor-General and the Joint Parliamentary Committee of Public Accounts.

2.5 Like the Auditor-General and the Public Service Board, the Public Accounts Committee is created directly by the Parliament which delegates certain powers of investigation and to which regular reports are submitted. Of course, the Public Accounts Committee differs from the Auditor-General and the Public Service Board for it is a Committee of the Parliament itself and exercises the powers of the Parliament.

2.6 The Public Accounts Committee exercises control by criticism and public report, not by directive. It scrutinises, by inquiries and regular reviews, the performance and the manner in which departments estimate their financial requirements and expend the moneys allocated to them by the Parliament.

2.7 Over the years, the Committee has pursued a vigorous program of inquiry into the financial operations of Commonwealth departments and authorities. It is searching for value for money spent and is concerned to establish whether the department or authority under examination is adequately organised to implement the policies of Government which fall within its area of responsibility.

Government Policies

2.8 As a general rule the Committee does not question the adequacy of policies laid down by the Government but is concerned with their implementation. In the conduct of its inquiries the Committee must have a clear understanding of the policies of Government that underlie the operations of the department or statutory authority involved. Public servants and officers of statutory authorities are asked about the particular Government policies which they are required to administer. They are not asked to express opinions on the adequacy of those policies. It has been the Committee's experience that in some cases governments do not clearly define policy objectives or even clearly enunciate the policy.

2.9 As a consequence, it is not unusual to find that, in the implementation of Government policies, departments and statutory authorities develop administrative policies. These are matters which the Committee regards as clearly within its purview and it examines officers on the nature, purpose and justification of policies that have so developed.

2.10 The Committee has proved over the years that although it is a Joint Committee of both houses of the Parliament and an all-party Committee it works successfully. The acceptance of Government policy avoids the risk of the Committee finding itself divided permanently on party lines which would tend to destroy the Committee internally and result in ineffectual work.

Duties of the Committee

2.11 The basic principles of operation were described by Professor Bland, who said that if the government in its wisdom decided that it wanted to build hothouses on the moon, it would be the role of the Committee to make sure that the government had the very best hothouses possible for the amount spent. The principle of the Committee's concern with the cost effectiveness of policy rather than its objectives still applies. The Committee sees itself as the Parliament's auditor, both in the traditional area of regulatory audits and as an efficiency audit examiner of the quality of administration. As such it has a close relationship with the regulatory authorities: the Public Service Board, the Department of Finance and the Auditor-General.

2.12 The duties of the Committee laid down in Section 8 of the Public Accounts Committee Act 1951, are as follows:

- "(1) (a) to examine the accounts of the receipts and expenditure of the Commonwealth including the financial statements transmitted to the Auditor-General under subsection (4) of section 50 of the Audit Act 1901;
- (aa) to examine the financial affairs of authorities of the Commonwealth to which this Act applies and of intergovernmental bodies to which this Act applies;
- (ab) to examine all reports of the Auditor-General (including reports of the results of efficiency audits) copies of which have been laid before the Houses of the Parliament;
- (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.

2.13 The Committee was pleased that amendments sought since 1975 were incorporated during 1979 in its enabling legislation, the Public Accounts Committee Act 1951, and received Royal Assent on 4 December 1979. The amendment increased the Committee's powers to examine authorities of the Commonwealth and all reports, including efficiency audit reports of the Auditor-General. It also removed the restriction on the number of sub-committees that could be in existence at any time and made other machinery changes to the

Committee's operations.* The Committee was delighted that the Government in agreeing to the amendments re-emphasised the supremacy of parliament in matters of scrutiny.

Committee's Method of Operation

2.14 The Committee functions with absolute independence. It determines its own programme of work and the inquiries it should undertake. It has evolved its own methods and procedures.

2.15 The Committee's requirement for written statements has become standard procedure for initiating its inquiries. These statements form the basis of an inquiry and enable the time taken for hearings to be kept to a minimum. The information in the statements facilitates the process of questioning and the forming of judgements which then form the basis for the Committee's report to parliament. It is for the Committee to initiate debate on its reports and thus take the opportunity to further explain its conclusions.

Observers to the Committee

2.16 At hearings of the Committee, the official observers - the Auditor-General or his representative, and representatives of the Department of Finance and of the Public Service Board - are always in attendance. These agencies have expertise in finance and administration on which the Committee often draws. While it is possible that these bodies will become the subject of an investigation their normal relationship to the Committee is as advisers to assist it in its inquiries.

Follow-through of Committee Reports

2.17 The Government has recognized the value of a complete follow-up procedure for the Committee's Reports. After presentation to the Parliament, the Minister for Finance remits the Reports to his department which co-ordinates departmental responses to the Committee's recommendations.

2.18 The Minister submits to the Chairman of the Committee a Department of Finance Minute, usually within six months, setting out the action that has been taken. These Minutes together with the conclusions of the Committee's Reports to which they relate, are then presented to the Parliament in order that it might be informed of the action taken.

* For further details see Attachment A.

2.19 The Committee is giving serious consideration to adopting the British Public Accounts Committee practice of requiring senior representatives of departments and authorities to appear before the Committee to explain their responses to its recommendations.

2.20 The Committee has for a number of years felt a distinct need for a closer monitoring of the Committee's conclusions and recommendations. In view of the Committee's workload and the present staffing arrangements, such a task is not feasible, unless additional staff are appointed.

CHAPTER 3

REPORTS OF THE COMMITTEE DURING THE YEAR

3.1 During 1979 the Committee tabled the following Reports.

- 175th Report. Use of ADP in the Commonwealth Public Sector - the MANDATA Project.
- 176th Report. Reports of the Auditor-General - Financial Year 1977-78.
- 177th Report. Finance Minutes on Report 168 and 173 together with summaries of those reports.
- 178th Report. Expenditure from the Advance to the Minister for Finance (Appropriation Act 1978-79).

175th Report - Use of ADP in the Commonwealth Public Sector -

The MANDATA Project

3.2 The Committee's 175th Report is the second in a significant series on the use of Automatic Data Processing in the Public Sector. The first Report dealt with the Acquisition of Large Scale Systems in the Public Service, especially the high cost that can result and has frequently resulted from unduly prolonging the procurement process.

3.3 This Report concerns the origin, acquisition and development of one major Public Service system - the MANDATA project, described by the Public Service Board in its 1971 Annual Report as "A Centralised Service-wide computer based personnel and establishment System with direct links to the payroll and superannuation systems, that would provide a response to enquiries as effective as existing systems while providing a superior management information system."

3.4 A detailed examination of this project confirmed the Committee's views stated in its 174th Report on the importance of senior management's close involvement in all stages of a major project.

3.5 Despite some problems the Committee believes that MANDATA should be completed as quickly as possible. The project as initially envisaged may bring significant benefits to departmental managers and the Public Service Board. The recommendations in this Report will be of particular relevance to all future major projects.

3.6 The re-organisation of the Board's structure, began in May 1978, had a significant effect upon the character of the inquiry. The operation of the MANDATA Office was removed from the control of the ADP Division and placed in a direct management relationship, through the Secretary, to the Board itself. From that time with renewed senior management control and newer project management, the level of co-operation and the quality of information that began to flow to the Committee improved remarkably.

3.7 The Committee believes that MANDATA was an example of a situation, which will become increasingly common in an era of high technology, of uncertainty about the responsibilities of non-technical policy makers, in this case Commissioners of the Public Service Board and the heads of user departments, in initiating and directing complex technical projects. The Public Service Board had seriously underestimated the difficulty of implementing the project and overestimated its ability in a field where it had no prior experience.

3.8 MANDATA equipment, development and operation has so far cost (in 1977 dollars) more than \$18.91 million, and by 1986/87 will had cost more than \$45 million. Over the same period, the Public Service Board estimated that savings of nearly \$100 million in reduced clerical costs and improved manpower resource management should be achieved.

3.9 Significant costs have been incurred on MANDATA which would have been avoided had the system development been planned and managed in accordance with the best current practice. At least several million dollars already lost was due to project delays and errors of planning and development.

3.10 A minimum of \$1.2 million of unnecessary costs resulted from the premature acquisition of minicomputers and data concentrator units and unproductive site planning.

3.11 The form of savings from MANDATA is still obscure - whether it is to be a reduction in the size of the Public Service, or merely a redeployment of displaced staff to other positions. The Committee is aware that economic advantages have to be weighed against social disadvantages and believes that the Public Service Board should consider the implications of changes to the workforce that may result from the effects of technological change.

ESTIMATE OF MANDATA COSTS MADE
AT DECEMBER 1973 AND LATER
ADJUSTED FOR WITHDRAWAL
OF TELECOM AND AUSTRALIA POST
(\$ THOUSANDS)

	As Approved By Cabinet	Adjusted to 1977 \$	100% Overhead on staff Salaries removed	Telecom & Aust Post removed
Equipment and Software	7 630	7 896	7 896	6 696
Development	12 255	14 613	7 307	6 284
Operations	45 761	50 347	34 585	28 126
TOTAL	65 646	72 856	49 788	41 106

COST-TO-DATE AND ESTIMATED COST-TO-COMplete
AT JUNE 1978 AND MAY 1979

(\$'000) - IN JUNE 1977\$

	<u>June 1978 Estimate</u>			<u>May 1979 Estimate</u>		
	Cost to date	Estimate to complete	Total	Cost to date	Estimate to complete	Total
Equipment & Software	8 499	1 355	9 854	9 038	955	9 993
Development	3 475	3 035	6 510	4 270	2 240	6 510
Operations	2 923	26 427	29 350	5 602	23 535	29 137
TOTAL	14 897	30 817	45 714	18 910	26 730	45 640

3.12 The Committee believes that public service departments are not fully capable of making effective use of the information that MANDATA can provide and training in manpower management is therefore an essential prerequisite to the achievement of the expected benefits.

3.13 The rate of change of computer technology is faster than the community's ability to understand. While there is often criticism that Parliament is not bending its efforts to major social problems, this Report represents a serious attempt by a Parliamentary institution to come to grips with the implications of computer technology.

176th Report - Report of the Auditor General -
Financial Year 1977-78

3.14 The Auditor-General includes in his reports such information as he thinks desirable in relation to audits, examinations and inspections carried out in pursuance of the provisions of the Audit Act or any other Act and may recommend plans and suggestions for the better collection and payment of public moneys and improvement in the mode of keeping public accounts.

3.15 The Reports transmitted to both Houses of Parliament are printed as public documents. The Reports are examined by the Joint Committee of Public Accounts which inquires into such matters as it considers necessary or desirable.

3.16 With regard to matters raised by the Auditor-General in his Reports for the year ending 30 June 1978, the Committee sought written submissions from 15 departments and 3 government authorities and received 65 explanations from statutory authorities regarding delays in submitting financial statements for audit examination. After a selection of submissions had been made the Committee heard evidence from 7 departments and 2 government authorities, and reported upon the following matters.

Department of Defence

3.17 The Committee examined the Auditor-General's reference to the Department of Defence's handling of rental charges on Royal Australian Navy Pipelines at Fremantle. Although an oil company had made proposals in 1969 to effect lease rental changes in 1970, at the date of inquiry almost ten years later the Department had been unable to complete the matter. There was a lack of adequate departmental monitoring procedures which allowed overpayments and under-collection of revenue by departments to continue over many years.

Department of Education

3.18 In examining aspects of the Department of Education's control over student assistance allowances, the Committee is aware of the Department's difficulties in reconciling the need for prompt and regular payment of benefits with the demands of proper control of public moneys. The Department's previous neglect of control and recovery functions, particularly in relation to its ADP controls, has contributed to the present high level of overpayments. The following table shows the unrecovered overpayments for the last four years.

	<u>Unrecovered Overpayments</u>			
	<u>30 June</u>			
	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>
No. of Cases	6051	9174	8661	7916
Amount of Overpayments (\$m)	1.281	2.428	2.665	3.017
% Increase Over Previous Year	n.a.	89.5%	9.7%	13.2%
Total Student Assistance Expenditure (\$m)	n.a.	186.8	204.9	214.8
Overpayments as % of Expenditure (\$m)	n.a.	1.3%	1.3%	1.4%

3.19 The Committee believed that the Department showed an attitude of resignation to continuing high overpayments, that as students did not always observe its requirements then its procedures must be adapted accordingly to allow for student shortcomings. Such an attitude is not acceptable to the Committee, which has emphasised the view that receipt of public money carries with it corresponding obligations and responsibilities which cannot be ignored or minimised.

3.20 Changes have been recommended to the application forms for T.E.A.S. (Tertiary Education Assistance Scheme) which will place greater onus on students to recognise and act upon their responsibility to advise the Department of status changes.

3.21 It is also recommended that all student assistance should be legislated for. The Department advised that such a task would occupy a number of staff for approximately five years, primarily in the drafting of regulations. In view of its recommendations in its 144th and 159th Reports, which were directed at reducing the delays in the presentation of subordinate legislation, the Committee finds such delays particularly disturbing.

Department of Primary Industry

3.22 The Committee examined the Beef Industry Incentive Payments Scheme which was hurriedly introduced in 1977, when the economic circumstances and the financial position of many producers were bad because of restrictions to beef export markets. The Department of Primary Industry demonstrated a lack of capacity to cope with stringent time constraints. The Department conceded that, in certain areas, it had misinterpreted its legislation. The Committee noted inadequate prepayment and ADP administrative control procedures and was also critical of the apparent lack of flexibility within the Public Service to meet short-term staff needs.

3.23 Several aspects of the Beef Industry Incentive Payments Scheme and its administration concerned the Committee. Principally it concluded that the Department of Primary Industry had been unable to anticipate the difficulties with which it found itself confronted. In conceding that it had learnt from this experience, the Department said that it would be very wary in future of devising a scheme which relies upon a particular ownership situation as a basis for payment.

3.24 Whilst it is a matter for the Government to determine the eligibility criteria for schemes devised to assist different sections of the community, the Department of Primary Industry faced problems similar to those which beset departments which administer welfare and other benefits schemes for which payments are made on the basis of claims submitted. The Auditor-General and the Committee have been concerned with the inadequate prepayment checks to ensure the eligibility of claimants and the validity of their claims. Whilst this was not assisted by the Department's misinterpretation of the legislation, the difficulties involving staffing, form design and documentation of the Scheme have led to the conclusion that the Scheme was both conceived and implemented in haste.

3.25 The Committee is unconvinced by the Department's claim that had it had more time it could have designed tighter procedures. The Department should have ensured that the various implementation aspects were proceeded with concurrently. This would have involved the initial planning and documentation of the Scheme, the consultation with other departments and authorities, including those that had some experience in similarly based schemes, and the testing, implementation and evaluation of the procedures. Obviously, experience or information gained during consultation, testing and evaluation should be used to provide feedback into the overall planning of the Scheme's implementation. This is a situation that is coming before the Committee too often. It is recommended that more flexibility be exhibited in providing adequate staff to meet similar short-term needs.

3.26 To assist in any similar future situation, it is recommended that several basic procedures be adopted. Firstly, legislation of this type should be carefully examined and the procedures developed to administer it should be confirmed as conforming with the legislation. Secondly, claim forms should be cleared with interested departments and authorities, including the Auditor-General's Office, so as to ensure that there is compliance with related legislative requirements including the Audit Act and Finance Regulations and Directions. Thirdly, to ensure adequate controls over ADP systems, accounting standards, including those for audit trails in ADP systems, proposed by the Auditor-General's Office should be mandatory. Fourthly, the Department of Finance should consider the introduction of a more rapid stop-payment system which would minimize subsequent recovery action arising from duplicate and other over-payments. This should have applied not only to this Scheme but should also apply to other benefit schemes where similar problems can arise.

177th Report - Finance Minutes on Reports 168 and 173 together with Summaries of those Reports

3.27 The Committee's 177th Report presents the official response from the Department of Finance, in the form of Finance Minutes, to the Committee's 168th and 173rd Reports. These Reports are concerned with Expenditure from the Advance to the Minister for Finance for the financial years 1976-1977 and 1977-78.

178th Report - Expenditure from the Advance to the Minister for Finance (Appropriation Acts 1978-79)

3.28 Each year amounts are appropriated to the Minister for Finance to enable the Minister to make advances which will be recovered within the financial year, and to make moneys available to meet expenditure, particulars of which will afterwards be submitted to Parliament. Each year these particulars are examined by the Committee which, after taking evidence from departmental officials, reports upon it to the Parliament.

3.29 During 1979, 106 explanations from 18 Departments were received, and additional information from seven departments was sought. Twenty further explanations were obtained from departments and authorities in respect of a submission from the Department of Foreign Affairs relating to an Overseas Imprest Account. A submission was also obtained from TELECOM in relation to explanations from six departments concerning billing cycles. Four items were selected for further public examination.

3.30 In examining Expenditure from the Advance to the Minister for Finance, the Committee sought to ascertain whether or not expenditure from the Advance had been confined to urgent and unforeseen 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 had maintained efficient administration in the expenditure under the item selected for inquiry.

3.31 Evidence taken during this inquiry has shown there were cases of clerical error, administrative oversight, procedural weaknesses within departments, and inadequate estimating.

3.32 In the 178th Report the Committee has emphasised that:

1. Departments or authorities which receive a reimbursement claim in respect of Overseas Transactions have a clear responsibility to make payment as soon as possible.
2. Debtor departments frequently delay reimbursement of claims because of a shortage of funds in the relevant appropriation. It is the Committee's view that the payment of any account should not be delayed because of lack of funds and that departments should be encouraged to apply for funds from the Advance to the Minister for Finance for this purpose.
3. The Commonwealth should pay its bills promptly. Failure to do so could cause liquidity problems for others.
4. Financial obligations should be settled by Commonwealth departments and authorities within the normal 30 day business cycle or earlier if incentive discounts are available for prompt settlement.

3.33 As result of the Committee's comments, the Secretary to the Department of Finance wrote to all Permanent Heads and Statutory Office Holders with the powers of a Permanent Head. This letter is reproduced in Appendix E.

Inquiry into the Funding of Tertiary Education

3.34 The inquiry into the funding of Tertiary Education was initiated in May 1979 to review the arrangements for Commonwealth Funding of Universities, Colleges of Advanced Education and Technical and Further Education with particular reference to the roles of the Commonwealth, State and institutional bodies concerned, and with the objective of finding whether the administration and co-ordination of funding arrangements are cost effective.

3.35 The Terms of Reference for the Inquiry are:

1. To inquire into the system of grants to support Tertiary Education.
2. To inquire into the operations of the Tertiary Education Commission and its associated councils with particular reference to:
 - (a) The relationships between the Commission and the Councils and State Education co-ordinating authorities, State departments concerned with Education, and Tertiary Education institutions;
 - (b) the procedures adopted by the Commission and the Councils to require the appropriate authorities to account for the expenditure of funds appropriated by the Australian Parliament in accordance with the provisions of the constitution, the appropriate States Grants Legislation, and the Audit Act, and to determine whether the conditions attached to Grants are adequate;
 - (c) the procedures adopted by the Commission and the Councils to evaluate, or have evaluated, Tertiary Education Institutions, their courses and the "product" of Tertiary Education; and
 - (d) the procedures adopted by the Commission and the Councils to investigate, report on and recommend alternative action for the allocation of resources in the Tertiary Education sector.

3.36 During the Federal/State Public Accounts Committee Conference in June 1977, it was agreed that real advantages might be gained in conducting inquiries into subjects such as education where concurrent responsibilities exist, (see Constitution of the Commonwealth of Australia, sections 107 and 108). Public Accounts Committees of State Parliaments have been invited to consider holding complementary inquiries as State authorities have a constitutional responsibility for the administration of Tertiary Institutions, including accountability for the distribution of funds to those institutions.

3.37 The submission from the Tertiary Education Commission is the first definitive statement by the Tertiary Education Commission, which was established in June 1977, on its functions and operations. The submission not only provides details of the procedures followed by the Commission in recommending Commonwealth funds for Tertiary Education and in administering approved programs but also describes the roles of the Commission, State authorities and Tertiary Institutions. Because of its importance, the Committee tabled the submission in the Parliament.

Offshore Petroleum Royalties and Excise

3.38 The Auditor-General reported on Offshore Petroleum Royalties (\$28,030,869 in 1978-79) and on Excise on Naturally Occurring Petroleum Liquids (\$1,226,573,974 in 1978-79) - Bass Strait area. The Committee held an inquiry into Offshore Petroleum Royalties. It has decided to widen the inquiry and table a separate report.

Canberra Commercial Development Authority

3.39 The Committee also inquired into the affairs of the Canberra Commercial Development Authority on which the Auditor-General reported in his Supplementary Report for 1977-78. This will also be reported on separately during 1980.

Chapter 4

ISSUES ARISING OUT OF INQUIRIES

Relationship between the Parliament and the Executive

4.1 The inquiry into MANDATA brought to attention an important principle regarding the relationship between the Parliament and the Executive. The Committee had considerable difficulty due to inordinate delays in obtaining adequate documentation about MANDATA from the Public Service Board. It was reluctant to provide or had declined to provide documents which were alleged to be Cabinet related interdepartmental documents, reports or material used in the preparation of those documents and reports, on the grounds of privilege. The Committee is of the opinion that the Prime Minister's proposed guidelines of September 1978 for official witnesses appearing before Parliamentary Committees in relation to privilege of these documents has to some extent clarified the situation, but in this case. The Committee believes the guidelines were interpreted far too widely by the Board. In the event, representations by the Committee to the Prime Minister achieved the desired result.

4.2 The Westminster concept of ministerial responsibility evolved at a time when Government operations were much more simple and it was possible for a diligent Minister to comprehend the full range of activities of his department and take full responsibility. The complexity, sophistication and the increase in the volume of work in the last decades have put the Westminster tradition under severe stress. It remains absolutely fundamental to Parliamentary democracy that the Executive must be accountable to a Parliament which is properly informed of the activities of Government.

4.3 Therefore the need for scrutiny by Parliamentary bodies such as the Public Accounts Committee is even more important and the justification for failure to provide relevant information under the excuse of privilege where documents relating to Cabinet submissions or other interdepartmental activities are denied. The Committee does not accept that a general embargo should be placed on the access to all material needed in the preparation of Cabinet submissions. An extension of this principle would make the work of the Public Accounts Committee - or even the Parliament - impossible.

Accountability of Statutory and other Authorities

4.4 The Committee is concerned at the number of statutory authorities, Government-owned companies and other bodies which failed to submit financial statements formally to the Auditor-General's Office for audit examination. The matter of late submission of financial statement has aroused concern over several years.

4.5 The distinguishing characteristic of a statutory body is that it is established to execute the special and specific tasks set out in its enabling Act or Ordinance. Such bodies are given varying degrees of independence in their operations. As a general proposition the unincorporated body, for instance, does not have the independence of the incorporated body, and Government companies could well have greater operational freedom than some statutory authorities.

4.6 Compatibility between public responsibilities and managerial freedom lies in the extent to which a public body is made responsible to the Executive Government and Parliament in its constituting legislation through a system of accountability. It follows that the establishment by Parliament of a government body, rather than a department of state, as the chosen instrument for the conduct of an enterprise or function implies, amongst other things, the intention that the government body should generally enjoy a freedom from close and Parliamentary control.

4.7 On the other hand, a department operates under the Public Service Act and the Audit Act, and its Minister is fully and continuously responsible to Parliament for its administration. In these circumstances one of the main ways of achieving proper accountability by authorities is the presentation to Parliament of a timely adequate Annual Report including audited financial statements.

Parliamentary Scrutiny

4.8 Over the last few years complaints have grown about the erosion of Parliament's control over expenditure and in particular, about a weakening of the position of back-benchers.

4.9 In Australia, the reports of the Joint Committee on the Parliamentary Committee System and of the Royal Commission on Australian Government Administration and, more recently, a report on Parliament and Public Expenditure by the House of Representatives Standing Committee on Expenditure have inquired into detailed aspects of parliamentary scrutiny and control.

4.10 Theoretically, control over both taxation and expenditure lies with Parliament but the right to initiate spending proposals lies with the government. Parliament can debate, examine and criticise the estimates, but must accept or reject the spending proposals as a whole. If they are rejected this is generally taken as a major defeat for the government, leading either to a vote of confidence or a general election.

4.11 This both defines and limits the role of Parliament. It means that Parliaments generally have little direct influence on the decisions about expenditure before they are announced by the government. The main role of Parliament is limited to considering the estimates when they have been announced and later conducting a retrospective inquiry into how the money has been spent both in order to ensure compliance and to improve subsequent performance.

4.12 The striking feature of the Budget process is the late stage at which the legislature becomes involved. The House of Representatives' committee in its report "Parliament Public Expenditures" concluded that "Parliamentary scrutiny and influence is limited because of the lack of specific procedures to influence executive thinking prior to the formulation of the budget and the absence of appropriate information for Parliament to increase its contribution to the formulation of public expenditure policy and to improve its reviews of efficiency and effectiveness of public expenditure.

4.13 The major limitation on legislative scrutiny, let alone control, has been the growth in the size of public spending. The transition from the caretaker state of Victorian times concerned primarily with defence and law and order to the contemporary all embracing welfare state has been general in the industrialised countries. The Organisation for Economic Co-operation and Development in 1978 estimated that the share of public spending in gross domestic product at current prices was 41.4 per cent on average in its 24 member countries between 1974 and 1976, compared with 28.5 per cent between 1955 and 1957. For Australia these percentages were 32.8 and 21.7 respectively.

4.14 The number of state functions and agencies has risen and there are now over 250 Commonwealth of public corporations and undertakings. These are generally independent to a considerable extent of ministerial and parliamentary control though at the same time partially or wholly dependent on the Federal Government for funding.

4.15 Often only part of the functions and finances of such bodies can be described as being controlled by Parliament; the same applies to categories of spending, such as pensions, and some grants for which the government has

made long term commitments. The result has been to place severe limitations on the ability of a relatively small number of Members of Parliament, with limited resources, to monitor even a fraction of public expenditure. The complexity of government activities has heavily weighted the balance of powers in favour of the executive and made genuine public accountability much more difficult to achieve.

4.16 Parliament reviews expenditure proposals of only about one third of total Government outlays in the annual appropriation bills. The other two thirds are permanent appropriations. Parliament can only examine a particular permanent appropriation when a bill is introduced amending the Act relating to that particular permanent appropriation. For further details see Appendix F.

4.17 In the financial year 1979/80 the total Commonwealth public sector outlays were \$31.7 billion (or about 29% of Gross National Product). This represents a growth of about 25% in the last decade, yet, in this period, Parliament reviewed expenditure proposals in the budgetary context of only about 31% of total Government outlays.

4.18 The following table shows the trend over the last 30 years of budget outlays as a percentage of total government outlays.

Budget Outlays as a Percentage of Total Government Outlays

<u>Year</u>	<u>Budget</u>	<u>Total Govt.</u>	<u>% Budget/Total</u>
	in \$m	in \$m	
1949	546	1109	49.23
1959	1212	2592	46.76
1969	2880	6086	47.32
1979	9896	27257	36.30

4.19 Significant amounts in permanent appropriations during 1979/80 include Social Service and Welfare payments of \$8.9 billion, and transfer payments and advances to the States of \$11.6 billion. Neither the House of Representatives nor the Senate examines these permanent appropriations on a regular basis.

4.20 The Committee is notably concerned with the lack of regular review of 70% of Government outlays and has given notice that it intends to examine this matter.

Financial Restraints

4.21 The Committee found that in recent years there has been an improvement in departmental estimating performance. The policy of financial restraint imposed upon departments over the last few years has required departments to apply greater care to ensure that their financial requirements are met within the approved appropriations.

Staff Ceilings

4.22 Since 1971, successive Commonwealth Governments have paid increased attention to overall staffing levels in the Australian Public Service. By 30 June 1979, 322 540, some 80 percent of all Commonwealth civilian employees, were employed in organisations covered by staff ceilings. The ceilings set for 30 June 1979 implied an overall reduction of about 0.8 percent during 1978-79; this was after allowing for increases in staff for the Department of Social Security.

4.23 The Committee has found that not staff ceilings, as is often claimed, but rather poor allocation of staff resources is often the cause for inefficient operation. Nevertheless there are circumstances where a too rigid application of staff ceilings has meant that departments were unable to carry out new duties in an efficient and satisfactory manner. On the other hand the Committee has noted that in a number of areas "staff ceilings" have meant a more economic and effective use of staff with a corresponding increase in productivity.

Collection of Revenue

4.24 Under its Act the Committee is required 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 regard to this duty, the Committee has generally concerned itself since its re-establishment in 1952 with examinations of expenditure and related matters. Very little attention has been paid to the revenue duty referred to in the Act. The Committee intends to pay greater attention to this facet of its duties, particularly as, in recent years, there has been a substantial increase in revenue raised. It is considered that the Committee could, with advantage, examine the bases on which revenue estimates are formulated and the reasons underlying variations between those estimates and the revenue levels achieved.⁽³⁾ 3. Estimated receipts for 1978-79 amounted to \$25,905,685,000, actual receipts for year was \$25,483,990,979.*

Performance of Departments

4.25 The Committee has been conscious for some years of the potential credibility gap between the recommendations made by the Auditor-General and their implementation. The Auditor-General reports further on his criticisms of administration where he finds that his recommendations are not adequately implemented.

4.26 However, the Committee is aware that within departments there is a very real desire on the part of officers to avoid where possible coming under the scrutiny of the Public Accounts Committee. However, we are not sure that departments apply with the same degree of zeal their resources to overcome shortcomings which have been identified. For this reason, we will be seeking to have an officer appointed to the Secretariat responsible for monitoring the implementation of our conclusions and recommendations.

Preference to Australian-Made Goods

4.27 The Committee has found that Commonwealth Authorities do not necessarily have to comply with the policy of giving preference to Australian-made goods. While there may well be circumstances for exempting certain categories of supplies from this policy, there appears to be no reason why Commonwealth Authorities should be excluded from giving preference to Australian-made goods. The Committee believes that Government's policy should be clearly defined and well promulgated for maximum effect.

The Form of the Public Accounts

4.28 The Public Accounts Committee Act 1957 requires the Committee to report on any alteration which it 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. In the past, the Committee has devoted considerable time and useful effort to work in this field and has produced a number of reports relating to the form and content of the financial documents presented to the Parliament. In fact, it is largely as a result of the Committee's work in this field that substantial significant changes have been made in the form of these documents. The Committee intends to carry out further work in this area.

Federal/State Financial Relations

4.29 Payments to and for the States represent more than one-third of expenditure approved by the Federal Parliament. Since 1942, when uniform tax arrangements were applied, there has been no effective attempt by the Commonwealth with the co-operation of the States to review the cost effectiveness

of programs funded from Section 96 grants. It has no right to review expenditure by the States from the personal tax reimbursement formulas except to the extent that it has the duty to see that the relativities as to the distribution of these monies between the States is appropriate. An effective system of joint Federal/State management review of expenditure is essential although this goal may be hard to achieve. One difficulty is due to the fact that unlike the United States, the Commonwealth Auditor-General does not have the constitutional power to investigate expenditure of Commonwealth funds through State and local governments. Nor has it been possible to achieve agreement between the Commonwealth and the States on a common methodology for the assessment by the Auditors-General of the efficiency or effectiveness of Government expenditure at all levels.

4.30 In 1977 the Federal Public Accounts Committee initiated the first tentative steps aimed at seeking a Parliamentary solution to this problem. At a Conference, representatives of the Public Accounts Committees of all Australian Parliaments discussed the methodology by which it would be possible to work together, at Committee level, within the respective Parliaments on areas of review, where the authority and responsibility is constitutionally divided. The first Joint inquiry is proposed to be on tertiary education expenditure where the major proportion of funds comes from the Federal Parliament, but is distributed through the State authorities to the various institutions. This inquiry will perhaps enable us to assess whether it is possible or practicable for reviews of this type to be conducted on a regular basis through the various Australian Parliaments.

The Auditor-General

4.31 The Committee continues to work closely with the Auditor-General and his staff. He provides an observer to all of our inquiries and has always stood ready to provide us with balanced advice.

Efficiency and Internal Auditing

4.32 The Committee has been closely involved in the growth of efficiency auditing by the Auditor-General's Office. The amendments to the Committee's legislation empowered the Committee to examine these Reports. However, the Committee has adopted a pragmatic approach and will closely co-operate with the House of Representatives Standing Committee on Expenditure and share the examination of those reports.

4.33 The examination of departments over the years has also led to increased concern with standards of internal audit and the Committee's interest in trying to encourage improvements within the public service - leading, for example, to an enhanced status and proper career structure for internal auditors is long standing. The Committee proposes to produce a major report, designed to increase discussion in this area, during 1980.

Chapter 5

OTHER MATTERS

Committee Inquiries

5.1 Currently the Committee has on hand inquiries relating to:

- . ADP in the Commonwealth Public Service
- . Auditor-General's Report 1979
- . Efficiency Audit Report
- . Offshore Petroleum Royalties and Excise
- . Canberra Commercial Development Authority
- . Funding of Tertiary Education
- . Collection and Dissemination of Statistics
- . Internal Audit
- . Development of Public Service Senior Executives
- . State/Commonwealth Financial Relations
- . Finance Minutes on previous reports

Meetings

5.2 During 1979 there were 36 meetings of the full Committee and 15 meetings of Sub-Committees. These meetings were held to take evidence at public and in-camera hearings, carry out inspections and to undertake private deliberations and took place in Canberra (45), Sydney (4), and Melbourne (2). Discussions were held with the Minister Assisting the Prime Minister Mr Viner, Secretary of Department of Finance, the Auditor-General, the Crown Solicitor and other senior officers of Departments.

Sectional Committees

5.3 During the year, the Committee appointed the following Sectional Committees:

Funding of Tertiary Education, Auditor-General's Report 1977-78;
Automatic Data Processing;
Delays in the Presentation of Financial Statements of Public Authorities; and
Expenditure from the Advance to the Minister for Finance 1978-79.

Visits

5.4 The Chairman of the Committee attended a meeting in London of the Commonwealth Parliamentary Association and was a member of a Study Group on "Parliament and Scrutiny of Public Finance".

5.5 Members of the Committee at the invitation of the Papua New Guinea Parliament visited Papua New Guinea in August 1979 and held discussions with the Papua New Guinea Public Accounts Committee.

5.6 The exchange of views was considered most beneficial and has cemented closer relations with our nearest neighbours.

5.7 Over the years the Committee has built up a good relationship with the Papua New Guinea Committee. Of particular assistance was the secondment to The Papua New Guinea Public Accounts Committee Secretariat for six months of Mr. Tom Devine, former Secretary of this Committee.

Audit Act

5.8 It is the established practice for the Committee to be involved in any changes to the Audit Act.

5.9 During the year the Committee held several discussions with the Auditor-General and Officers of the Department of Finance relating to amendments to the Audit Act.

Conferences

5.10 Members of the Committee and staff of the Secretariat attended a number of conferences and seminars during the year, including the Commonwealth Public Accounts Committees Conference, London; Chief Auditor's Conference; Australian Society of Accountants, Canberra; Royal Institute of Public Administration seminar at Batemans Bay; and Department of Finance and Public Service Board training sessions.

Seminars

5.11 On 1 June 1979 the Committee conducted the first Parliamentary Seminar - Financial Administration - Parliamentary Scrutiny. A second seminar was held in May 1980. The Seminars aim to provide a forum to develop closer relationships between Members of Parliament, Public Servants, academics and others and to present opportunities for exchange of views.

5.12 On 11 December 1979, members of the Committee attended an Information Technology briefing organised by IBM Australia Limited.

Information Systems for the Parliament

5.13 The Committee secretariat is closely involved in the preparation of a report on the Information Systems for Parliament. Mr. K Schneeman, an officer seconded to the PAC from the Office of the Auditor-General has been employed in this area for a number of months.

Staffing - Secretariat

5.14 The present Secretariat is not adequately structured to provide professional services at a level appropriate to current needs, particularly if the Committee is to work on inquiries at adequate depth and within a reasonable timetable.

5.15 Past experience has shown that existing classifications on the Committee's staff are, in general, inadequate to attract and retain officers with the background and experience essential for the present programme undertaken by the Committee.

5.16 During the period which this Report covers, the Committee had five other inquiries running concurrently, and a support staff of 4 project officers including the Secretary to the Committee. The Committee's resources are still geared to historical precedent rather than actual need, and reflect a period when Government activity was much less than at present and the Committee's and Parliament's examination of administration more limited. As matters now stand any major or unusual inquiry usually means that the Committee's resources must be diverted from other tasks, sometimes at the cost of proper examination of government administration. This problem is not unique to the Public Accounts Committee, but is common to the parliamentary committee system as a whole. Parliament cannot properly monitor government while this remains the case.

5.17 By contrast, inquiries of similar scale initiated by the Executive can have between 6 to 10 support staff for a single inquiry, ranging from Class 5 to Level 1 officers, in addition to the clerical support and the information resources of participating departments.

5.18 The Committee continues to be served by Mr. M.J. Talberg, Secretary, Mr. L.C. Penders, Assistant Secretary, and Mr. V. Jones, Clerical Assistant. Project Officers, Ms. P. Hicks and Mr. W. Gould, joined the staff in February 1979. During 1979 Mrs R. Sixsmith left the Secretariat and Mrs E. Asquith was promoted to the position of Steno Secretary. The position of Typist Grade 2 vacated by Mrs Asquith was filled by the recruitment of Ms. B. Darby.

Staffing Secondments

5.19 During the year assistance was provided by the secondment of -

Mr. James Murray of the Department of Productivity,
Mr. K. Schneeman of the Office of the Auditor-General
Mr. R. White of the Department of Foreign Affairs and
Dr. K. Jackson of the Parliamentary Library

Advisers to the Committee

5.20 The Public Accounts Committee has appointed several advisers of independent standing not only to help with specific inquiries but as a means to ensure that there is independent access to specialists in areas of relevance to the its work. They were an expert on automatic data processing, Mr. P.K. Macgregor, a recently retired chairman of the Public Service Board, Mr. K.C.O. Shann, CBE, who relinquished his position in December 1979, a specialist in government accounting and federal state financial relationships, Mr. R. Jay of the Australian National University, and a former judge of a Supreme Court, Rt. Hon. L. Meares C.M.G., Q.C. They have provided assistance which reinforces the work of lay members of the Committee and the Secretariat.

Appreciation

5.21 We wish to thank the advisers, seconded and permanent staff for their contribution to the work of the Committee.

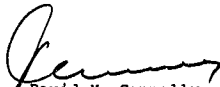
5.22 The Committee wishes to record its appreciation to all those who gave assistance to the Committee, particularly officers from the Department of Finance, office of the Public Service Board and the Office of the Auditor-General who have provided advice and assistance as observers for all of its inquiries.

5.23 We are also appreciative of the work done by the Principal Parliamentary Reporter and his staff in recording our procedures and other officers and staff of the parliamentary departments who have supported the Committee in its activities.

For and on behalf of the Committee,



M.J. Talberg,
Secretary,
Joint Committee of Public Accounts,
Parliament House,
CANBERRA



David M. Connolly,
Chairman

28 August 1980

AMENDMENTS TO THE PUBLIC ACCOUNTS COMMITTEE ACT 1951

1 The Committee is unusual among Committees of Parliament in that it is established by Statute as a Standing Committee of Parliament. The only other Committee which has similar status is the Joint Committee of Public Works. This means that the Members of the Committee continue to hold office (subject to certain disqualifications) until the end of the Parliament by which they were appointed. This is in contrast to Select Committees of the Parliament, which usually only last for a specified period or for the time necessary to carry out a particular assignment. The powers and duties of the Committee can only be altered by amendment to its legislation through full Parliamentary process.

2 The Public Accounts Committee Act 1951 was amended during 1979 so as to widen the range of bodies subject to the committee's scrutiny and to bring about several machinery changes concerning the operations of the Committee.

3 The Committee's examination of statutory authorities and other government bodies had been restricted to the range of information on those bodies contained in Reports of the Auditor-General. The amendments provide for the financial affairs of all Commonwealth statutory and other bodies to be subject to the Committee's scrutiny with some exceptions. So far as inter-governmental bodies are concerned, the agreement of all governments concerned with them need to be obtained before they become subject to the Committee's scrutiny. Provisions under the amended Act exempt the financial affairs of the Northern Territory and the External Territories from the Committee's examination.

4 A further provision removed the restriction in the Act which prevented the Committee from examining reports by the Auditor-General other than those made in pursuance of sub-section 53(1) of the Audit Act. The Public Accounts Committee Act now provides for all reports (including those relating to efficiency reports) transmitted to the Parliament by the Auditor-General to be subject to examination by the Committee.

5 Certain refinements to the operations of the Committee provided for in the Act have the effect of reducing the quorum, removing the present restriction on the number of Sectional committees, enabling the Committee to meet anywhere in Australia and permitting it to sit during a prorogation of the Parliament.

Notes on Amendments

Meetings of the Committee

- 6 A new section, 6A, was inserted which:
- (a) enables the Committee to meet anywhere in Australia but not overseas;
 - (b) provides for the powers of the Chairman of the Committee, if he is unable to exercise them, to be exercised by the Vice-Chairman. (This is a machinery measure designed to rectify an omission in the Principal Act.)
 - (c) enables the Committee to function during a Parliamentary recess.

Quorum

- 7 Sub-section 7(1) of the Principal Act was amended by reducing the quorum from a majority of members (ie. six) to four.

Duties

- 8 Section 8 of the Principal Act, concerning the duties of the Committee, was amended by:
- (a) providing that the duties of the Committee as outlined by new sub-section 8(1) are subject to the limitations contained in new sub-section 8(2) (described below).
 - (b) replacing paragraph (a) of section 8 with a new paragraph, the effect of which is to enable the Committee to examine documents transmitted to the Auditor-General including statements of receipts and expenditure, particulars of acts of grace payments and of waivers, summaries of statements and information and explanations furnished by the Permanent Heads and the Minister for Finance. This is in consequence of the new section 50 of the Audit Act.
 - (c) inserting a new paragraph (aa) to bring the financial affairs of authorities and inter-governmental bodies (subject to certain limitations described below) within the ambit of the Committee's scrutiny.

- (d) inserting a new paragraph (a), the effect of which is to enable the Committee to examine all those reports (including those relating to efficiency audits) transmitted to the Parliament by the Auditor-General. Section 8(a) formerly restricted the Committee's examination to reports made in pursuance of sub-section 53(1) of the Audit Act.
- (e) inserting a new sub-section, 8(2) which stipulates that the financial affairs of the Northern Territory and of the Administrations of the External Territories and any reports (including those relating to efficiency audits) made by the Auditor-General in relation to those Territories, are exempt from examination by the Committee.
- (f) inserting a new sub-section, 8(3), which brings all Commonwealth authorities (except inter-governmental bodies which are dealt with below) within the ambit of the committee's purview.
- (g) inserting a new sub-section, 8(4), to ensure that the committee is able to examine an inter governmental body only if all parties concerned in the establishment of the body agree, in which case an appropriate notice shall be placed in the Gazette by the Minister.
- (h) inserting a new sub-section, 8(5), which is complementary to new sub-section 8(4) in that it provides for the same procedure for the removal of intergovernmental bodies from examination by the Committee.
- (i) inserting a new sub-section, 8(6), the purpose of which is to define certain enactments, instruments and an "inter-governmental body", as these are mentioned in section 8 of the Principal Act, as amended.

Sub-Committees

9 Section 9 of the Principal Act was amended by omitting those provisions which limited the number of Sectional Committees which may exist at the same time.

APPENDIX BLIST OF REPORTS PRESENTED BY THE PUBLIC ACCOUNTSCOMMITTEE: 1952 - 1979

<u>No. of Report</u>	<u>Title</u>	<u>Date of Presentation</u>	<u>Parliamentary Paper No</u>	<u>Treasury Minute - Report No.</u>
1	Supplementary Estimates 1951-52	6 Mar 1953	160 of 1951-52-53	9, 16
2	Variations in Annual Appropriations under Section 37 of the Audit Act 1901-1952	26 Mar 1953	176 of 1951-52-53	3, 16
3	Administrative Arrangements Order together with Treasury Minute on 2nd Report of Committee 1952-53	15 Sep 1953	201 of 1951-52-53	9, 16
4	Department of National Development	25 Sep 1953	207 of 1951-52-53	*
5	Department of Works	6 Oct 1953	208 of 1951-52-53	16
6	Department of External Affairs	22 Oct 1953	211 of 1951-52-53	16
7	Administration of Sales Tax	20 Oct 1953	212 of 1951-52-53	16
8	Parliamentary Procedure in the House of Representatives on the Supply and Appropriation Bills	20 Nov 1953	2 of 1953-54	16
9	'Stephan' Prefabricated Buildings together with Treasury Minutes on 1st and 3rd Reports of the Committee and Statements on the Privileges and Immunities of the Members of the Committee	1 Dec 1953	9 of 1953-54	16

* Not applicable

<u>No. of Report</u>	<u>Title</u>	<u>Date of Presentation</u>	<u>Parliamentary Paper No</u>	<u>Treasury Minute - Report No.</u>
10	Department of National Development: Further Report	21 Dec 1953	213 of 1951-52-53	*
11	Joint Coal Board: Plant and Equipment	7 Apr 1954	10 of 1954	16
12	Postmaster-General's Department	13 Apr 1954	14 of 1954	19
13	The Form and Content of the Financial Documents Presented to the Parliament: Progress Report	8 Apr 1954	11 of 1954	*
14	Supplementary Estimates and Variations under Section 37 of the Audit Act 1901-1953 for the year 1952-53	7 Apr 1954	12 of 1954	16
15	Repatriation Department	13 Apr 1954	13 of 1954	16
16	Treasury Minutes on Reports of the 1952-54 Joint Committee of Public Accounts	2 Nov 1954	36 of 1954-55	*
17	Miscellaneous Inquiries: The Cleaning of Commonwealth Offices; the Steam Raising Plant operated by the Department of Works at Repatriation Hospitals; the Use of State Estate Duty Assessments for Commonwealth Estate Duty Purposes; Grants to Quasi-Governmental and Public Organizations; the Committee and Public Security	4 Nov 1954	30 of 1954-55	27

* Not applicable

<u>No. of Report</u>	<u>Title</u>	<u>Date of Presentation</u>	<u>Parliamentary Paper No</u>	<u>Treasury Minute - Report No.</u>
18	The Form and Content of the Financial Documents Presented to the Parliament - Part 1 - The Budget Speech; the Estimates of Receipts and Expenditure and the Appropriation Bills	11 Nov 1954	37 of 1954-55	101
19	Treasury Minute and Comments of Postmaster-General's Department on 12th Report of the 1952-54 Joint Committee of Public Accounts - Postmaster-General's Department	5 May 1955	97 of 1954-55	*
20	Supplementary Estimates and Variations under Section 37 of the Audit Act 1901-1954; Commonwealth Consolidated Revenue Fund for the year 1953-54	24 May 1955	67 of 1954-55	27
21	Australian Aluminium Production Commission - Part 1	2 Jun 1955	69 of 1954-55	67
22	Australian Aluminium Production Commission - Part II	27 Oct 1955	69A of 1954-55	67
23	Department of Civil Aviation: Progress Report	27 Oct 1955	120 of 1954	*
24	Department of Civil Aviation	13 Jun 1956	29 of 1956-57	57
25	Supplementary Estimates and Variations under Section 37 of the Audit Act 1901-1955; Commonwealth Consolidated Revenue Fund for the year 1954-55	22 May 1956	43 of 1956-57	44

* Not applicable

<u>No. of Report</u>	<u>Title</u>	<u>Date of Presentation</u>	<u>Parliamentary Paper No</u>	<u>Treasury Minute - Report No.</u>
26	Commonwealth Office of Education	26 Sep 1956	45 of 1956-57	44
27	Department of the Interior: Acquisitions Program together with Treasury Minutes on 17th and 20th Reports	9 Apr 1957	3 of 1957-58	53
28	Supplementary Estimates and variations under Section 37 of the Audit Act 1901-1955: Commonwealth Consolidated Revenue Fund for the year 1955-56	4 Oct 1956	47 of 1956-57	44
29	The Defence Services and the Estimates	30 Oct 1956	72 of 1956-57	57
30	Being an Epitome of the Reports of the 1st Committee and of the relevant Treasury Minutes	28 Mar 1957	2 of 1957-58	*
31	Advance to the Treasurer: Presentation of Supplementary Estimates	21 May 1957	13 of 1957-58	33
32	Department of Health: Canberra Abattoir	10 Sep 1957	36 of 1957-58	44
33	Expenditure from Advance to the Treasurer and variations under Section 37 of the Audit Act 1901-1957: Commonwealth Consolidated Revenue Fund for the year 1956-57	9 Oct 1957	39 of 1957-58	44
34	The Trust Fund	4 Dec 1957	69 of 1957-58	108
35	The Northern Territory Administration: Interim Report	5 Dec 1957	71 of 1957-58	*

* Not applicable

<u>No. of Report</u>	<u>Title</u>	<u>Date of Presentation</u>	<u>Parliamentary Paper No</u>	<u>Treasury Minute - Report No.</u>
36	The Northern Territory Administration - Part 1	29 Apr 1958	25 of 1958	57
37	The Northern Territory Administration - Part 11	14 May 1958	26 of 1958	57
38	Index to the 1st to the 34th Reports of the Committee	14 May 1958	24 of 1958	*
39	Project 590 - St. Mary's	15 May 1958	28 of 1958	*
40	The Finance Statement	19 Aug 1958	39 of 1958	44
41	Expenditure from Advance to the Treasurer: Commonwealth Consolidated Revenue Fund for the year 1957-58	25 Sep 1958	65 of 1958	51
42	Treasury Regulation 52	8 Oct 1958	60 of 1959-60	48
43	Expenditure from Advance to the Treasurer - Commonwealth Consolidated Revenue Fund 1958-59	19 Nov 1959	78 of 1959-60	57
44	Treasury Minutes on the 25th, 26th, 28th, 32nd, 33rd and 40th Reports together with Summaries of those Reports	26 Nov 1959	112 of 1959-60	*
45	Index to the 1st to the 41st Reports of the Committee	3 Dec 1959	114 of 1959-60	*
46	Outstanding Claims - Sections 36 (2) and 51 (f) of the Audit Act 1901-1959	10 Mar 1960	2 of 1960-61	51

* Not applicable

<u>No. of Report</u>	<u>Title</u>	<u>Date of Presentation</u>	<u>Parliamentary Paper No</u>	<u>Treasury Minute - Report No.</u>
47	Broadcasting and Television Services - Underspending of Capital Works and Service Division - No. 58 - Item 1	18 Aug 1960	57 of 1960-61	57
48	Treasury Regulation 52 (Second Report)	30 Aug 1960	58 of 1960-61	61
49	Form of Estimates - Miscellaneous Services	11 Oct 1960	62 of 1960-61	53
50 and 52	The Reports of the Auditor-General - Financial Year 1958-59 - Part I	8 Nov 1960	84 of 1960-61	65
	Part II	30 Nov 1960	89 of 1960-61	63
51	Expenditure from Advance to the Treasurer - Commonwealth Consolidated Revenue Fund for the year 1959-60 and Treasury Minutes on 41st and 46th Reports together with Summaries of those Reports	15 Nov 1960	85 of 1960-61	57
53	The Reports of the Auditor-General - Financial year 1959-60	23 Aug 1961	65 of 1961	65
54	Form of the Estimates: Estimates of Expenditure for Additions, New Works and Other Services Involving Capital Expenditure	6 Sep 1961	70 of 1961	72

* Not applicable

<u>No. of Report</u>	<u>Title</u>	<u>Date of Presentation</u>	<u>Parliamentary Paper No</u>	<u>Treasury Minute Report No.</u>
55	Form of the Estimates Part 1 - Schedule of Salaries and Allowances Part II-Deduction and Transfer Items	4 Oct 1961	87 of 1961	99
56	Expenditure from Advance to the Treasurer - Commonwealth Consolidated Revenue Fund for the year 1960-61	18 Oct 1961	112 of 1961	61
57	Treasury Minutes on the 24th, 29th, 36th, 37th, 43rd, 47th and 51st Reports, together with Summaries of those Reports	25 Oct 1961	114 of 1961	*
58	The Reports of the Auditor-General - Financial year 1960-61	25 Oct 1961	115 of 1961	67
59	Index to the 1st to the 58th Reports of the Committee	27 Nov 1962	151 of 1962-63	*
60	Expenditure from Advance to the Treasurer - Commonwealth Consolidated Revenue Fund for the year 1961-62	27 Nov 1962	152 of 1962-63	65
61	The Reports of the Auditor-General - Financial year 1961-62 and Treasury Minutes on the 48th and 56th Reports together with Summaries of those Reports	2 May 1963	192 of 1962-63	72
62	The Budget (Financial Documents)	27 Aug 1963	243 of 1962-63	65

* Not applicable

<u>No. of Report</u>	<u>Title</u>	<u>Date of Presentation</u>	<u>Parliamentary Paper No</u>	<u>Treasury Minute - Report No.</u>
63	Expenditure from Advance to the Treasurer (Appropriation Act 1962-63) and Treasury Minute on the 52nd Report together with a Summary of that Report	28 Oct 1963	305 of 1962-63	65
64	Expenditure from Consolidated Revenue Fund for the year 1962-63	23 Apr 1964	43 of 1964-65-66	76
65	Treasury Minutes on the 50th, 53rd, 60th, 62nd and 63rd Reports together with Summaries of those Reports	7 May 1964	45 of 1964-65-66	*
66	The Reports of the Auditor-General - Financial year 1962-63	20 May 1964	47 of 1964-65-66	72
67	Treasury Minutes on the 21st, 22nd and 58th Reports together with Summaries of those Reports	22 Oct 1964	127 of 1964-65-66	*
68	Expenditure from Advance to the Treasurer (Appropriation Act 1963-64)	22 Oct 1964	131 of 1964-65-66	79
69	Index to the 1st to the 68th Reports of the Committee	8 Apr 1965	195 of 1964-65-66	*
70	The Reports of the Auditor-General - Financial Year 1963-64	8 Apr 1965	160 of 1964-65	79
71	The Northern Territory Administration	23 Sep 1965	206 of 1964-65-66	99

* Not applicable

<u>No. of Report</u>	<u>Title</u>	<u>Date of Presentation</u>	<u>Parliamentary Paper No</u>	<u>Treasury Minute - Report No.</u>
72	Treasury Minutes on the 54th, 61st and 66th Reports together with Summaries of those Reports	19 Oct 1965	208 of 1964-65-66	79
73	The Department of Social Services	21 Oct 1965	221 of 1964-65-66	91
74	Expenditure from Advance to the Treasurer (Appropriation Act 1964-65)	8 Dec 1965	248 of 1964-65-66	88
75	Expenditure from the Consolidated Revenue Fund for the year 1964-65	8 Dec 1965	249 of 1964-65-66	91
76	Treasury Minute on the 64th Report together with Summary of that Report	9 Dec 1965	250 of 1964-65-66	*
77	Treasury Regulation 53	9 Dec 1965	250 of 1964-65-66	101
78	The Report of the Auditor-General - Financial Year 1964-65	24 Mar 1966	274 of 1964-65-66	95
79	Treasury Minutes on the 68th, 70th and 72nd Reports together with Summaries of those Reports	24 Mar 1966	275 of 1964-65-66	*
80	Department of Customs and Excise - Excise Control Procedures	31 Mar 1966	276 of 1964-65-66	90
81	The Supplementary Report of the Auditor-General - Financial year 1964-65 (The Canberra Community Hospital)	18 Aug 1966	319 of 1964-65-66	95

* Not applicable

<u>No. of Report</u>	<u>Title</u>	<u>Date of Presentation</u>	<u>Parliamentary Paper No</u>	<u>Treasury Minute - Report No.</u>
82	Expenditure from the Advance to the Treasurer (Appropriation Act 1965-66)	11 Oct 1966	352 of 1964-65-66	95
83	The National Capital Development Commission	11 Oct 1966	351 of 1964-65-66	97
84	Expenditure from the Consolidated Revenue Fund for the year 1965-66	13 Oct 1966	350 of 1964-65-66	130
85	Automatic Data Processing	26 Oct 1966	364 of 1964-65-66	122
86	Automatic Data Processing (The Bureau of Census and Statistics Network)	26 Oct 1966	360 of 1964-65-66	122
87	The Report of the Auditor-General - Financial Year 1965-66	20 Oct 1966	361 of 1964-65-66	91
88	Treasury Minute on the 74th Report together with Summary of that Report	27 Oct 1966	362 of 1964-65-66	*
89	The Sixth Committee	27 Oct 1966	363 of 1964-65-66	*
90	Treasury Minute on the 80th Report together with Summary of that Report	18 May 1967	32 of 1967	*
91	Treasury Minutes on the 73rd, 75th, and 87th Reports together with Summaries of those Reports	5 Oct 1967	139 of 1967	*
92	Index to the 1st to the 89th Reports of the Committee	5 Oct 1967	118 of 1967	*

* Not applicable

<u>No. of Report</u>	<u>Title</u>	<u>Date of Presentation</u>	<u>Parliamentary Paper No</u>	<u>Treasury Minute - Report No.</u>
93	Expenditure from Advance to the Treasurer (Appropriation Act 1966-67)	26 Oct 1967	128 of 1967	135
94	Department of Immigration	2 Nov 1967	207 of 1967	101
95	Treasury Minutes on the 78th, 81st, and 82nd Reports together with Summaries of those Reports	7 May 1968	30 of 1968	*
96	Expenditure from the Consolidated Revenue Fund for the year 1966-67	7 May 1968	31 of 1968	135
97	Treasury Minute on the 83rd Report together with Summary of that Report	6 Jun 1968	52 of 1968	*
98	The Report of the Auditor-General - Financial Year 1966-67	6 Jun 1968	53 of 1968	136
99	Treasury Minutes on the 55th and 71st Reports together with Summaries of those Reports	6 Jun 1968	54 of 1968	*
100	Expenditure from Advance to the Treasurer (Appropriation Acts 1967-68)	7 Nov 1968	214 of 1968	116
101	Treasury Minutes on the 18th, 77th and 94th Reports together with Summaries of those Reports	7 Nov 1968	215 of 1968	*

* Not applicable

<u>No. of Report</u>	<u>Title</u>	<u>Date of Presentation</u>	<u>Parliamentary Paper No</u>	<u>Treasury Minute - Report No.</u>
102	Expenditure from the Consolidated Revenue Fund for the year 1967-68 (Appropriation Acts 1967-68)	21 Nov 1968	219 of 1968	120
103	Financial Regulations	27 Nov 1968	216 of 1968	111
104	Commonwealth Serum Laboratories Commission	6 Mar 1969	10 of 1969	138
105	The Report of the Auditor-General - Financial Year 1967-68	20 Mar 1969	12 of 1969	136
106	Commonwealth Fire Board	17 Apr 1969	22 of 1969	136
107	Subscriber Trunk Dialling Telephone Facilities (STD)	1 May 1969	23 of 1969	126
108	Treasury Minute on the 34th Report together with a Summary of that Report	22 May 1969	51 of 1969	*
109	The Supplementary Report of the Auditor-General - Financial Year 1967-68	22 May 1969	52 of 1969	116
110	The Australian Broadcasting Commission	28 Aug 1969	173 of 1969	117
111	Treasury Minute on the 103rd Report together with a Summary of that Report	23 Sep 1969	159 of 1969	*
112	Commonwealth Advertising	23 Sep 1969	160 of 1969	131
113	The Report of the Auditor-General - Financial Year 1968-69	25 Sep 1969	161 of 1969	136

* Not applicable

<u>No. of Report</u>	<u>Title</u>	<u>Date of Presentation</u>	<u>Parliamentary Paper No</u>	<u>Treasury Minute - Report No.</u>
114	The Seventh Committee	25 Sep 1969	162 of 1969	*
115	Expenditure from Advance to the Treasurer (Appropriation Acts 1968-69)	23 Apr 1970	55 of 1970	132
116	Treasury Minutes on the 100th and 109th Reports, together with Summaries of those Reports	7 May 1970	62 of 1970	*
117	Treasury Minute on the 110th Report, together with a Summary of that Report	11 June 1970	102 of 1970	*
118	Expenditure from the Consolidated Revenue Fund for the year 1968-69 (Appropriation Acts 1968-69)	11 June 1970	103 of 1970	138
119	The Supplementary Report of the Auditor-General - Financial Year 1968-69	12 June 1970	104 of 1970	129
120	Treasury Minute on the 102nd Report, together with a Summary of that Report	4 Sep 1970	254 of 1970	*
121	The Department of Shipping and Transport	4 Sep 1970	155 of 1970	143
122	Treasury Minutes on the 85th and 86th Reports, together with Summaries of those Reports	15 Sep 1970	156 of 1970	*

* Not applicable

<u>No. of Report</u>	<u>Title</u>	<u>Date of Presentation</u>	<u>Parliamentary Paper No</u>	<u>Treasury Minute - Report No.</u>
123	Expenditure from Advance to the Treasurer (Appropriation Acts 1969-70)	28 Oct 1970	235 of 1970	145
124	Expenditure from the Consolidated Revenue Fund for the year 1969-70 (Appropriation Acts 1969-70)	30 Oct 1970	237 of 1970	142
125	Index - 1st to 114th Reports of the Committee	16 Feb 1971	145 of 1971	*
126	Treasury Minute on the 107th Report, together with a Summary of that Report	18 Feb 1971	261 of 1971	*
127	The Report of the Auditor-General - Financial Year 1969-70	7 Apr 1971	239 of 1971	143
128	The Australian Tourist Commission	6 May 1971	105 of 1971	136
129	Treasury Minute on the 119th Report together with a Summary of that Report	3 Aug 1971	106 of 1971	*
130	Treasury Minute on the 84th Report together with a Summary of that Report	5 Aug 1971	107 of 1971	*
131	Treasury Minute on the 112th Report, together with a Summary of that Report	5 Aug 1971	137 of 1971	*
132	Treasury Minute on the 115th Report, together with a Summary of that Report	5 Aug 1971	138 of 1971	*

* Not applicable

<u>No. of Report</u>	<u>Title</u>	<u>Date of Presentation</u>	<u>Parliamentary Paper No</u>	<u>Treasury Minute - Report No.</u>
133	Expenditure from Advance to the Treasurer (Appropriation Acts 1970-71)	10 Nov 1971	255 of 1971	145
134	Expenditure from the Consolidated Revenue Fund (Appropriation Acts 1970-71)	8 Dec 1971	18 of 1972	143
135	Treasury Minutes on the 93rd and 96th Reports together with Summaries of those Reports	9 Mar 1972	75 of 1972	*
136	Treasury Minutes on the 98th, 105th, 106th, 113th and 128th Reports, together with Summaries of those Reports	27 Apr 1972	76 of 1972	*
137	The Report of the Auditor-General - Financial Year 1970-71	18 May 1972	77 of 1972	149
138	Treasury Minutes on the 104th and 118th Reports, together with Summaries of those Reports	12 Sep 1972	180 of 1972	*
139	Internal Audit	12 Sep 1972	181 of 1972	149
140	Expenditure from the Advance to the Treasurer (Appropriation Acts 1971-72)	21 Sep 1972	182 of 1972	149
141	Expenditure from the Consolidated Revenue Fund (Appropriation Acts 1971-72)	24 Oct 1972	215 of 1972	149
142	Treasury Minute on the 124th Report together with Summaries of that Report	24 Oct 1972	218 of 1972	*

* Not applicable

<u>No. of Report</u>	<u>Title</u>	<u>Date of Presentation</u>	<u>Parliamentary Paper No</u>	<u>Treasury Minute - Report No.</u>
143	Treasury Minutes on the 121st, 127th, and 134th Reports, together with Summaries of those Reports	23 Mar 1973	105 of 1973	*
144	Department of Education and Science	29 May 1973	106 of 1973	159
145	Treasury Minutes on the 123rd and 133rd Reports, together with Summaries of those Reports	13 Sep 1973	213 of 1973	*
146	The Report of the Auditor-General - Financial Year 1971-72	18 Oct 1973	214 of 1973	159
147	Expenditure from the Advance to the Treasurer (Appropriation Acts 1972-73)	19 Nov 1973	334 of 1973	156
148	Expenditure from the Consolidated Revenue Fund (Appropriation Acts 1972-73)	29 Nov 1973	289 of 1973	156
149	Treasury Minutes on the 137th, 139th, 140th and 141st Reports, together with Summaries of those Reports	28 Nov 1974	308 of 1974	*
150	The Report of the Auditor-General - Financial Year 1972-73	28 Nov 1974	309 of 1974	164
151	Payment of Accounts	4 Dec 1974	327 of 1974	164
152	Expenditure from the Advance to the Treasurer (Appropriation Acts 1973-74)	11 Dec 1974	310 of 1974	161
153	Delays in Occupancy of Leased Premises	15 May 1975	74 of 1975	170

* Not applicable

<u>No. of Report</u>	<u>Title</u>	<u>Date of Presentation</u>	<u>Parliamentary Paper No</u>	<u>Treasury Minute - Report No.</u>
154	Expenditure from the Consolidated Revenue Fund (Appropriation Acts 1973-74)	4 June 1975	97 of 1975	161
155	Index - 1st to 142nd Reports	4 June 1975	98 of 1975	*
156	Treasury Minutes on the 147th and 148th Reports together with a Summary of those Reports.	5 June 1975	84 of 1975	*
157	The Report of the Auditor-General Financial Year 1973-74	27 Apr 1976	97 of 1976	169
158	Expenditure from the Advance the Treasurer (Appropriation Acts 1974-75)	20 May 1976	131 of 1976	166
159	Treasury Minutes on 144th and 146th Reports together with a Summary of those Reports.	20 May 1976	132 of 1976	*
160	Expenditure from the Consolidated Revenue Fund (Appropriation Acts 1974-75)	1 June 1976	133 of 1976	166
161	Treasury Minutes on the 152nd and 154th Reports together with Summaries of those Reports	14 Oct 1976	302 of 1976	*
162	Inquiry into the Financial Administration of the Department of Aboriginal Affairs	24 Mar 1977	77 of 1977	*
163	Expenditure from the Advance to the Treasurer (Appropriation Acts 1975-76)	24 May 1977	128 of 1977	170

* Not applicable

<u>No. of Report</u>	<u>Title</u>	<u>Date of Presentation</u>	<u>Parliamentary Paper No</u>	<u>Finance Minute - Report No.</u>
164	Treasury Minutes on the 150th and 151st Reports together with Summaries of those Reports.	26 May 1977	89 of 1977	*
165	The Report of the Auditor-General - Financial Year 1974-75	13 Oct 1977	229 of 1977	170
166	Finance Minutes on 158th and 160th Reports together with Summaries of those Reports.	4 Nov 1977	230 of 1977	*
167	The Report of the Auditor-General - Financial Year 1975-76	4 Nov 1977	232 of 1977	180
168	Expenditure from the Advance to the Treasurer (Appropriation Acts 1976-77)	4 Nov 1977	231 of 1977	177
169	Finance Minute on 157th Report together with a Summary of that Report.	31 May 1978	53 of 1978	*
170	Finance Minutes on 153rd, 163rd and 165th Reports together with Summaries of those Reports	21 Nov 1978	337 of 1978	*
171	The Report of the Auditor-General - Financial Year 1976-77	21 Nov 1978	338 of 1978	180
172	Financing and Administration of Property owned or leased Overseas by the Commonwealth Government.	21 Nov 1978	339 of 1978	np

np - not yet presented

* not applicable

<u>No. of Report</u>	<u>Title</u>	<u>Date of Presentation</u>	<u>Parliamentary Paper No</u>	<u>Finance Minute - Report No.</u>
173	Expenditure from the Advance to the Minister for Finance (Appropriation Acts 1977-78)	21 Nov 1978	340 of 1978	177
174	Use of ADP in the Commonwealth Public Sector - Acquisition of Systems in the Public Service.	24 Nov 1978	341 of 1978	np
175	Use of ADP in the Commonwealth Public Sector - The MANDATA Project	9 Oct 1979	218 of 1979	*
176	The Report of the Auditor-General - Financial Year 1977-78	6 Nov 1979	277 of 1979	*
177	Finance Minute on 168th and 173rd Reports together with Summaries of those Reports.	6 Nov 1979	276 of 1979	*
178	Expenditure from the Advance to the Minister for Finance (Appropriation Acts 1978-79)	13 Nov 1979	286 of 1979	180

np - not yet presented

* not applicable

APPENDIX C

LIST OF REPORTS PRESENTED BY THE PUBLIC ACCOUNTS

COMMITTEE : 1915 - 1931

<u>Title</u>	<u>Date of Presentation</u>	<u>Parliamentary Paper No.</u>
The Small Arms Factory, Lithgow, New South Wales	27 May 1915	131 of 1914-15
The Commonwealth Naval Dockyard, Cockatoo Island, New South Wales	28 Oct 1915	224 of 1914-15
The Expenditure Incurred in Connexion with the S.Y. "Aurora", of the Shackleton Expedition, at the Commonwealth Naval Dockyard, Cockatoo Island, Sydney.	10 May 1916	287 of 1914-15-16
Stationery, Printing, and Advertising Accounts of Commonwealth Departments	11 May 1916	288 of 1914-15-16
Stationery, Printing, and Advertising Accounts of Commonwealth Departments.	13 Sep 1916	320 of 1914-15-16
Stores and Supplies for Commonwealth Requirements.	13 Sep 1916	319 of 1914-15-16
Commonwealth Public Works Department	8 Dec 1916	350 of 1914-15-16
Manner of Submitting the Estimates, the Budget, and the Treasurer's Financial Statement.	1 Mar 1917	371 of 1914-15-16-17
First General Report	27 Sep 1917	28 of 1917
Papuan Oil-Fields	17 Jan 1918	33 of 1917-18
Expenditure in Connexion with Establishing Naval Bases.	13 Jun 1918	91 of 1917-18
Expenditure on Premises in the Capital Cities Owned and Rented by the Commonwealth for Office Accommodation.	19 Nov 1918	113 of 1917-18

<u>Title</u>	<u>Date of Presentation</u>	<u>Parliamentary Paper No.</u>
Commonwealth Finance: (a) Credit Balances; (b) Method of Departmental Payments.	12 Dec 1918	120 of 1917-18
Commonwealth Railways	8 Oct 1919	180 of 1917-18-19
Second General Report	13 May 1920	30 of 1920
Commonwealth Shipbuilding	17 Nov 1920	75 of 1920
The Purchase of Saw-Mills and Timber Areas in Queensland.	26 Nov 1920	82 of 1920
Transactions of the War Service Homes Commissioner with Mr J.T. Galdwell	6 Apr 1921	83 of 1920-21
The Purchase of Saw-Mills and Timber Areas	20 May 1921	113 of 1920-21
War Service Homes Commission (New South Wales).	6 Jul 1921	121 of 1920-21
War Service Homes Commission (Tasmania).	27 Oct 1921	149 of 1920-21
War Service Homes Commission (Western Australia)	4 Nov 1921	151 of 1920-21
War Service Homes Commission (Queensland)	5 Dec 1921	164 of 1920-21
War Service Homes Commission (Victoria)	29 Jun 1922	11 of 1922
War Service Homes (South Australia)	30 Jun 1922	12 of 1922
War Service Homes Commission	27 Jul 1922	32 of 1922
Sugar	15 Sep 1922	48 of 1922
Sugar	13 Oct 1922	68 of 1922
Third General Report	13 Jun 1923	5 of 1923
Expenditure Upon Air Services.	4 Jul 1923	19 of 1923
War Service Homes Disposals.	22 Aug 1923	42 of 1923
Lithgow Housing Scheme	28 Mar 1924	59 of 1923-24
Canberra Housing	2 Apr 1924	58 of 1923-24

<u>Title</u>	<u>Date of Presentation</u>	<u>Parliamentary Paper No.</u>
Expenditure on Munitions Supply	9 Jul 1924	88 of 1923-24
Expenditure on the Royal Australian Naval College and the Royal Military College	20 Aug 1924	99 of 1923-24
Certain Transactions between the Co-operative Estates Limited, of Hobart, and the War Service Homes Commission.	3 Oct 1924	129 of 1923-24
Expenditure on Oil Exploration, Development, Refining, Etc, in the Commonwealth and Papua.	21 Aug 1925	34 of 1925
Fourth General Report	4 Mar 1926	10 of 1926
Expenditure on Oil Exploration, Development, Refining, Etc., in the Commonwealth and Papua.	3 Mar 1926	11 of 1926
Expenditure on Oil Exploration, Development, Refining Etc., in the Commonwealth and Papua.	25 Mar 1926	18 of 1926
Commonwealth Government Shipping Activities.	11 Aug 1926	66 of 1926
Pacific Islands Shipping Facilities.	23 Mar 1927	97 of 1926-27
Commonwealth Government Shipping Activities including Cockatoo Island Dockyard.	28 Sep 1927	132 of 1926-27
Communications between Tasmania and the Mainland.	9 Nov 1927	131 of 1926-27
Transport Facilities within the Federal Capital Territory.	22 Mar 1928	221 of 1926-27-28
Housing and Building Costs Generally in the Federal Capital Territory.	19 Sep 1928	261 of 1926-27-28
Fifth General Report.	7 Mar 1929	13 of 1929
Temporary Employment in the Commonwealth Public Service.	22 Aug 1929	38 of 1929

<u>Title</u>	<u>Date of Presentation</u>	<u>Parliamentary Paper No.</u>
Agricultural and Pastoral Leases in the Federal Capital Territory.	13 Dec 1929	18 of 1929
Claim of Charles Dean and Others, trading under the name of Henry Dean and Son, against the War Service Homes Commissioner for compensation to cover losses alleged to have been sustained as the result of extensions and alterations made to their works to provide bricks for the erection of War Service Homes.	4 Apr 1930	52 of 1929-30
The General Question of Tasmania's Disabilities.	7 Aug 1930	108 of 1929-30
Finances of South Australia as Affected by Federation.	17 Jun 1931	239 of 1929-30-31
The Finances of Tasmania as Affected by Federation.	17 Jun 1931	238 of 1929-30-31

APPENDIX DPUBLIC ACCOUNTS COMMITTEE MEETINGS 1979

<u>Meeting No.</u>	<u>Type Full/Sectional</u>	<u>Date</u>	<u>Place</u>	<u>Main Subjects</u>
14	Sectional ADP	15 Feb 1979	Sydney	Mandata
46	Full	15 Feb 1979	Sydney	A-G's Reports 1977-78
47	Full	22 Feb 1979	Canberra	U. of Qld survey; EDS seminar; Finance Minute on 168th Report; Sectional - ADP, CES, ABC, Government Aircraft Factory
48	Full	6 March 1979	Canberra	Inquiry - A-G's Report 1977-78 - Depts Defence and Admin Services
1	Sectional A-G's Report	6 March 1979	Canberra	Inquiry - A-G's Reports 1977-78 - Dept of Education
49	Full	8 March 1979	Canberra	New Developments in Public Sector Management; A-G's Report Inquiry
50	Full	20 March 1979	Canberra	A-G's Reports Inquiry - Dept of Primary Industry
51	Full	22 March 1979	Canberra	Unemployment Services; Follow-up on PAC Report on Dept Aboriginal Affairs
52	Full	27 March 1979	Canberra	Inquiry - Services to Unemployed

<u>Meeting No.</u>	<u>Type Full/Sectional</u>	<u>Date</u>	<u>Place</u>	<u>Main Subjects</u>
53	Full	29 March 1979	Canberra	Outstanding Department of Finance Minutes; Annual Statement of Receipts and Expenditure; A-G's Reports 1977-78 - Beef Incentive Payments Scheme
54	Full	3 April 1979	Canberra	Efficiency Audit Report; A-G's Reports Inquiry - Primary Industry
55	Full	5 April 1979	Canberra	A-G's Reports 1977-78 - Dept Primary Industry; Internal Audit
2	Sectional AG's Report	19 April 1979	Canberra	A-G's Reports Inquiry - CCDA
3	Sectional AG's Reports	26 April 1979	Canberra	A-G's Reports - Inquiry CCDA
56	Full	1 May 1979	Canberra	A-G's Reports
57	Full	3 May 1979	Canberra	Funding of Tertiary Education
4	Sectional AG's Reports	8 May 1979	Canberra	CCDA, In-Camera Inquiry - A-G's Reports
58	Full	10 May 1979	Canberra	Internal Audit; Resumption of A-G's Reports Inquiry
59	Full	22 May 1979	Canberra	Tertiary Education Funding
60	Full	24 May 1979	Canberra	Offshore Petroleum Royalties; Funding of Tertiary Education.
14	Sectional ADP	24 May 1979	Canberra	ADP in the Public Sector
61	Full	29 May 1979	Canberra	Public Inquiry - CCDA

<u>Meeting No.</u>	<u>Type Full/Sectional</u>	<u>Date</u>	<u>Place</u>	<u>Main Subjects</u>
62	Full	31 May 1979	Canberra	CCDA; ADP; Funding of Tertiary Education; A-G's Inquiry - Student Education Allowances
63	Full	5 June 1979	Canberra	Efficiency Reports; Funding of Tertiary Education; CCDA; Finance Minutes on 173rd and 167th Report
64	Full	7 June 1979	Canberra	Finance Minute on the C'tee's 167th Report; CCDA; Statistics Inquiry
15	Sectional ADP	6 July 1979	Melbourne	Draft Report - MANDATA
65	Full	20 July 1979	Sydney	Advance to the Minister for Finance
16	Sectional ADP	21 August 1979	Canberra	Draft Report - MANDATA
17	Sectional ADP	22 August 1979	Canberra	Draft Report - MANDATA
66	Full	28 August 1979	Canberra	Late Financial Statements; Funding of Tertiary Education; Advance to the Minister for Finance; Information System for Parliament
18	Sectional ADP	28 August 1979	Canberra	Draft Report - MANDATA
19	Sectional ADP	30 August 1979	Canberra	Draft Report - MANDATA
67	Full	11 September 1979	Canberra	Draft Report - MANDATA

<u>Meeting No.</u>	<u>Type Full/Sectional</u>	<u>Date</u>	<u>Place</u>	<u>Main Subjects</u>
68	Full	13 September 1979	Canberra	Advance to the Minister for Finance; Legal Opinion - Commonwealth Serum Laboratories; A-G's Reports 1977-78 - Dept Education
69	Full	18 September 1979	Canberra	Public Inquiry - Expenditure from Advance to the Minister for Finance - Dept of Science and Environment
1	Sectional AMF	18 September	Canberra	Advance to the Minister for Finance Inquiry - Dept Defence
70	Full	20 September 1979	Canberra	CCDA; MANDATA
71	Full	25 September 1979	Canberra	MANDATA; A-G's Reports 1978 - Dept Primary Industry
72	Full	27 September 1979	Canberra	Delays in the presentation of Financial Statements
1	Sectional Fin. Statements	8 October 1979	Canberra	Delays in the presentation of Financial Statements
73	Full	9 October 1979	Canberra	A-G's Reports 1978 - Primary Industry; MANDATA; ADP
74	Full	11 October 1979	Canberra	A-G's Report 1979 - Offshore Petroleum Royalties; CCDA
75	Full	16 October 1979	Canberra	MANDATA; A-G's Reports 1978; CCDA; Special Appropriations; Advance to the Minister for Finance

<u>Meeting No.</u>	<u>Type Full/Sectional</u>	<u>Date</u>	<u>Place</u>	<u>Main Subjects</u>
76	Full	17 October 1979	Canberra	Legal Opinion - Powers of the Committee
77	Full	18 October 1979	Canberra	Legal Opinion - Powers of the Committee
20	Sectional ADP	18 October 1979	Canberra	PAC's 174th and 175th Reports
78	Full	23 October 1979	Canberra	175th Report - MANDATA; CCDA; Tertiary Education Inquiry; Advance to the Minister for Finance
79	Full	25 October 1979	Canberra	ADP Inquiry; Dept of Finance Minutes
80	Full	6 November 1979	Canberra	TEC Submission; Advance to the Minister for Finance; A-G's Reports 1978; Defence Computing Installation - Inspection
81	Full	8 November 1979	Canberra	Dept of Defence computer installation inspection
82	Full	13 November 1979	Canberra	Dept of Defence computer installation inspection
83	Full	15 November 1979	Canberra	A-G's Reports 1979
84	Full	22 November 1979	Canberra	CCDA; Collection and Dissemination of Statistics by the Commonwealth; Delays in presentation of Finance Statements; Advance to the Minister for Finance 1979-80; Special Appropriations; Government Aircraft Factory

<u>Meeting No.</u>	<u>Type Full/Sectional</u>	<u>Date</u>	<u>Place</u>	<u>Main Subjects</u>
21	Sectional ADP	10 December 1979	Sydney	ADP
85	Full	11 December 1979	Sydney	ADP
1	Sectional AG's Reports	12 December 1979	Sydney	Green Paper - C'wealth/State Financial Relationships; A-G's Reports 1979

APPENDIX E

COPY OF LETTER SENT TO ALL PERMANENT HEADS AND RELEVANT STATUTORY OFFICE HOLDERS WITH POWERS OF A PERMANENT HEAD ON 17 DECEMBER 1979.

PROMPT PAYMENT OF ACCOUNTS

The 178th Report of the Joint Committee of Public Accounts on Expenditure from the Advance to the Minister for Finance (Appropriation Act 1978-79) has drawn attention to the failure of some departments and authorities to pay accounts promptly. The relevant paragraphs of the Report read as follows:

"6.5 There was evidence of failure by some departments and authorities to pay accounts promptly. On 9/11/74 the Prime Minister issued instructions to the effect that the Commonwealth should, as a matter of policy, satisfy its creditors as quickly as possible. The Public Accounts Committee reiterates its view expressed in the 151st Report (Parliamentary Paper No. 327/1974):

... that a more responsible attitude should be adopted by departments towards their creditors both departmental and private. ... The Committee believes that it would be appropriate at this point to remind departments that delays in paying accounts received from private creditors could cause liquidity problems, particularly for those who are self-employed or small businesses that are largely dependent upon Australian Government contracts.

6.6 The Public Accounts Committee believes that financial obligations should be settled by Commonwealth departments and authorities within the normal 30-day business cycle, or earlier if incentive discounts are available for prompt settlement. As Permanent Heads have clear authority under the Audit Act, the Committee expects that they will ensure that liabilities incurred by their departments are settled quickly. Also, the Committee expects the Auditor-General and the Department of Finance to keep this situation monitored and to take whatever steps are necessary to ensure that departments are aware of their obligations. The Committee intends to maintain a close scrutiny of this matter as it is not satisfied with the present position."

In his Report for the 1978-79 (paragraph 2.24.11) the Auditor-General recorded that a review by his Office had disclosed that more than 1,500 accounts totalling in excess of \$6.2 million were due for payments in 1978-79 but remained unpaid, mostly for want of Warrant Advice.

The importance of prompt payment of accounts has been brought to the attention of Ministers and departments on numerous occasions. The then Treasurer wrote to all Ministers in 1976 referring to the directive in 1974 by the then Prime Minister that accounts should be paid without delay and expressing concern that reports of slow payment were still being received. The then Secretary to the Treasury, Sir Frederick Wheeler, wrote to Permanent Heads on 4 March 1976 and the then Secretary to the Department of Finance, Mr Cole, wrote again on 2 Feb 1977 bringing the problem to the attention of permanent heads, and received reassuring responses.

Various circulars on the subject have also been issued including Treasury Circulars 1976/15 and 1976/23 and Finance Circular 1977/18. Yet the problem remains.

It is of considerable concern that the position in some departments is still not satisfactory. I would therefore be grateful if you would bring the remarks of the Public Accounts committee and the Auditor-General to the attention of the appropriate officers in your organisation and arrange for all necessary steps to be taken to avoid delays in the payment of accounts.

Authorising Officers should be reminded of the requirement of Finance Direction 31/4 that when certifying that funds are available for a service they are to ensure that Warrant Authority or Warrant Advice will be available at the time the related accounts become due for payment.

I should in this connection stress the importance of the principle that commitments should not be entered into unless either the resulting expenditure can be met from available appropriations or, if the expenditure cannot be met from available appropriations, approval has been given for the commitment to be made. For these purposes "available appropriations" include, in relation to future periods, Supply Act appropriations and provisions in Appropriation Bills that have been introduced but not yet passed. A fuller description of how the system operates is contained in Treasury Circular 1976/8.

Circumstances can nevertheless arise - because, for example, of unexpected receipt of accounts or receipt of accounts sooner than expected - whereby Warrant Authority is exhausted and there are accounts ready for payment. If such circumstances do arise, the issue of funds from the relevant Advance to the Minister for Finance should be seen as a

preferable alternative to delaying payments due to the Commonwealth's creditors. I therefore suggest that in such circumstances you should seek the provision of additional funds to enable quick payment of the outstanding accounts.

Yours sincerely

I. CASTLES
Secretary
Department of Finance

PARLIAMENTARY SCRUTINY OF EXPENDITURE

In response to a question (Parliamentary Question No. 4471 of 1979) on the relationship between the 1979-80 Budget and the consequential Appropriation and Supply Bills with total outlays of the Commonwealth Government for 1978-79, the Minister for Finance, provided the following answer on 19 February 1980.

(1) The answer to this question is complicated by conceptual difficulties in drawing comparisons between Budget sector outlays and total Commonwealth outlays and between appropriations and outlays.

As indicated in Chapter II of Budget Paper No. 10—National Accounting Estimates of Receipts and Outlays of Commonwealth Government Authorities—outlays for the Commonwealth Government sector as a whole derive from outlays of two sub-sectors—the Budget and the non-Budget sub-sectors. In consolidating the estimates of outlays for these two sub-sectors, transfers and other payments between them are netted out to show the level of transactions of the Commonwealth Government sector as a whole. This 'overlap' between the two component sub-sectors, and the consequential netting out process to arrive at total Commonwealth Government sector outlays, need to be kept in mind when describing Commonwealth Budget sub-sector outlays as constituting a certain percentage of total Commonwealth outlays as comprehended in the first part of question (1).

In particular, when considering the relative contributions of the two sub-sectors, it should be noted that various Commonwealth non-Budget sub-sector authorities receive funds from the Budget; the application of these funds shows up in the non-Budget sub-sector and, although they appear in the Budget sub-sector before consolidation they are netted out in the consolidation process.

As to the second part of the question, appropriations of the Consolidated Revenue Fund (CRF)—as represented by the Supply Acts, the Appropriation Acts and Special Appropriations—and 'outlays' as described in the Budget Statements are different, though related, concepts and, again, caution should be exercised in expressing one as a percentage of the other.

The term 'appropriation' reflects a legal concept which derives from the requirement in section 83 of the Constitution that no money shall be drawn from the Treasury of the Commonwealth except under appropriation made by law; the term 'Budget outlays', on the other hand, reflects an economic concept defined to put Budget data on a basis which is consistent with, and readily related to, National Accounting data for other sectors (and for the economy as a whole) compiled and published by the Australian Bureau of Statistics. Not all appropriations of the CRF are classified as Budget outlays; for example, some transactions deriving from appropriations are classified as 'financing transactions' and are therefore not included in outlays. Conversely, not all Budget outlays involve appropriations of the CRF; for example, there are net contributions to Budget outlays arising from transactions of the Trust Fund and appropriations of the Loan Fund. Furthermore some, but not all, Trust Fund outlays have their origin in prior appropriations of the CRF which are offset when the transactions of the CRF and

Trust Funds are consolidated. Other differences arise because particular items recorded as receipts in the CRF are offset against expenditures in arriving at 'outlays' and because various transactions which are recorded in gross terms in calculations of 'receipts' and 'outlays' are netted out in the CRF estimates.

A reconciliation between estimated Budget outlays in 1979-80 as shown in Statement No. 3 attached to the Budget speech (\$31,692m) and appropriations of the CRF—dissected to identify amounts to be appropriated by Special Appropriations and Appropriations Acts (Nos 1 and 2) 1979-80—is detailed in Tables 1 and 2 of Budget Paper No. 4—Estimates of Receipts and Summary of Estimated Expenditure for the Year Ending 30 June 1980. Further information on the relationship between the two concepts is contained in the Appendix to the Treasurer's Budget Speech. The total estimated outlays in 1979-80 of all Commonwealth Government authorities, as detailed in Table 6 of Budget Paper No. 10, amount to \$33,192m.

Having regard to the above qualifications the contribution of Budget sector outlays to total Commonwealth Government outlays in 1979-80 is estimated at \$31,559m or 95.1 per cent. The figure of \$31,559m can be calculated from Table No. 1 of Budget Paper No. 10; it comprises total estimated Budget outlays (\$31,692m) less:

net outlays to the Commonwealth non-Budget sector (\$117m); and
purchases of existing assets which are shown netted against sales in figures for the total Commonwealth sector (\$16m).

The Appropriation Acts (Nos 1 and 2) 1979-80 contained appropriations aggregating in all \$10,712m. After adjustment has been made for:

allowance for prospective wage and salary increases (add \$65m);
expenditure netted against receipts in deriving total Commonwealth outlays (subtract \$70m);
advances from annual appropriations to non-Budget authorities which are offset on consolidation (subtract \$170m); and

Advances to the Minister for Finance not included in Budget Outlays (subtract \$22.5m);
estimated expenditure in 1979-80 from annual Appropriations forming part of total Commonwealth sector outlays amounts to \$10,312m or 31.1 per cent of total Commonwealth outlays (\$33,192m).

(2) Estimated expenditure from special appropriations in 1979-80, by way of appropriation of the CRF and Loan Fund, amounts to \$21,973m. After the making of appropriate adjustments, expenditure from special appropriations in 1979-80 is estimated to amount to \$22,483m, or 67.8 per cent of total Commonwealth outlays (\$33,192m).

In assessing the significance of these figures in relation to Parliamentary scrutiny and approval, there are some considerations that should be noted. The first is that full information about estimated expenditure from special appropriations is provided to the Parliament in the Budget papers. Others are that some of the special appropriations provide for:

Annual funding of programs, involving a requirement for annual amendment by the Parliament to provide funds for payment in the relevant financial year or calendar year.

Expenditure on particular projects that will be completed before the end of the financial or calendar year in which the relevant Acts receive Royal Assent;

The appropriation of fixed amounts that may be expended over a number of years;

The appropriation of variable amounts (based on a formula) for expenditure during a fixed time period;

The appropriation of funds which are not quantified in total amounts but the expenditure of which is governed by criteria (laid down in the relevant Acts (eg Social Security benefits)).

(3) The following table (derived from Budget Paper No. 4—Estimates of Receipts and Summary of Estimated Expenditure 1979-80—Table 7) lists Acts containing special appropriations of an ongoing nature which are estimated to result in expenditure in 1979-80 but do not require annual approval (these Acts may of course come forward for amendment even though there is no such specific requirement). In this context, I should add that there may be Acts, in addition to those listed, that would authorise expenditure in circumstances that are not expected to eventuate in 1979-80 and for which there is, therefore, no estimate for expenditure in 1979-80.

SPECIAL APPROPRIATIONS OF AN ONGOING NATURE—ESTIMATED EXPENDITURE 1979-80

	Estimate 1979-80
	\$
Salaries and payments in the nature of salary	
Remuneration Tribunals Act 1973	
First Division Officers	1,785,800
Holders of Public Office	8,420,600
Ministers of State—Salaries	432,000
Members of Parliament	604,600
Parliamentary Allowances	8,128,700
Parliamentary Standing Committee on Public Works (Public Works Committee Act 1969)	9,000
Joint Committee of Public Accounts (Public Accounts Committee Act 1951)	5,000
President and Deputy Presidents of the Australian Conciliation and Arbitration Commission (Conciliation and Arbitration Act 1904 and Remuneration and Allowances Act 1973)	617,000
Director of the Industrial Relations Bureau (Conciliation and Arbitration Act 1904)	57,200
Taxation Boards of Review—Remuneration and allowances to Chairmen and Members (Income Tax Assessment Act 1936)	380,400
Australian Statistician—Salary and allowances (Australian Bureau of Statistics Act 1975)	48,500
Australian Statistics Advisory Council—Remuneration and allowances paid to Chairmen and Members (Australian Bureau of Statistics Act 1975)	8,500
Commissioner of Taxation—Salary and allowances (Taxation Administration Act 1953)	56,700
Second Commissioners of Taxation—Salaries and allowances (Taxation Administration Act 1953)	93,300
Total	20,647,300

Audit Act 1901

	Estimate 1979-80		Estimate 1979-80
	\$		\$
Auditor-General—Salary and allowances (Sections 4 and Remuneration Tribunals Act 1973)	54,400	Aboriginal Land Rights Act 1976	2,530,000
Acting Auditor-General—Salary and allowances (Section 9A and Remuneration Tribunals Act 1973)	6,800	Department of Business and Consumer Affairs	
Independent Audit of Auditor-General's Office—Fees and allowances (Section 48K)	28,000	ADP Equipment Bounty Act 1977	1,500,000
Total	89,200	Bounty (Agricultural Tractors) Act 1966	5,500,000
SPECIAL APPROPRIATIONS		Bounty (Boil Sheetting) Act 1977	600,000
	Estimate 1979-80	Bounty (Books) Act 1969	13,750,000
	\$	Bounty (Commercial Motor Vehicles) Act 1978	6,000,000
Governor-General Act 1974	49,500	Bounty (Injection Moulding Equipment) Act 1979	1,350,000
Allowance to former Governors-General	37,000	Bounty (Metal Working machine Tools) Act 1978	10,000,000
Governor-General—Salary (Constitution of the Commonwealth of Australia, Section 3)	86,500	Bounty (Paper) Act 1979	2,500,000
Total	485,600	Bounty (Polyester/Cotton Yarn) Act 1978	600,000
Remuneration and Allowances Act 1973	164,500	Bounty (Rotary Cultivator) Act 1979	60,000
Judges of the High Court (Judiciary Act 1903)	236,100	Diesel Fuel Taxation (Administration) Act 1957	1,300,000
Judges (Australian Capital Territory Supreme Court Act 1903)	100,000	Phosphate Fertilizer Bounty Act 1963	40,000,000
Judges (Northern Territory Supreme Court Act 1961)	1,750,300	Payments to or for the States—States Grants (Petroleum Products Act 1965—Petroleum Products Prices Scheme)	83,160,000
Deputy Presidents (Conciliation and Arbitration Act 1904)	908,800		139,060,000
Family Court Judges (Family Law Act 1975)	52,700	Department of Defence	
Federal Court Judges (Federal Court of Australia Act 1976)	3,698,000	Defence Forces Retirement Benefits (Act 1948, Act 1959, Act 1960, Act 1961, Act 1963, Act 1968, Act 1971, and Act 1973) and Defence Force Retirement and Death Benefits (Act 1973, Act 1974 and Act 1977)	176,075,000
Industrial Court Judges (Conciliation and Arbitration Act 1904)	762,000	Defence Forces Retirement Benefits Fund (Distribution of Surplus to Pensioners) Act 1976	59,000
Total	25,628,100		176,134,000
Ministers of State Act 1952	145,100	Department of Education	
Ministers of State—Salaries	762,000	Payments to or for the States and the Northern Territory—States Grants (Tertiary Education Assistance) Act 1978	1,278,098,000
Judges Pension Act 1968	25,628,100	States Grants (Schools) Act 1972	600,000
Other special Appropriations by Department		States Grants (Schools) Act 1976	2,000
Parliament			1,278,700,000
Parliamentary Contributory Superannuation Act 1948	3,650,000	Other—	
Parliamentary Contributory Superannuation Act 1948 and Parliamentary Retiring Allowances (Increases) Act 1971—Ministerial	36,400	Australian National University Act 1946	650,000
	3,686,400		1,279,350,000
Department of Aboriginal Affairs		Department of Finance	Cr 525,000,000
		Refunds of Revenue—Audit Act 1901 (Section 37A) less amount of Refunds deducted from Revenue items	525,000,000

	Estimate 1979-80		Estimate 1979-80
	\$		\$
Superannuation Act 1922, Act 1961, Act 1967 and Act 1976	392,000,000	Payments to or for the States and the Northern Territory—	
War Grants Act 1945	1,000	Softwood Forestry Agreements Act 1978	6,000,000
	<u>392,001,000</u>	States and Northern Territory Grants (Blueoague Virus Control) Act 1978	48,000
Department of Foreign Affairs		Tasmania (Native Forestry Agreements) Act 1979	272,000
Australian Development Assistance Bureaux—		Other—	
Asian Development Fund Act 1974, Act 1976 and Act 1978	7,200,000	Apple and Pear Stabilization Act 1971	3,500,000
International Development Association Act 1960 and Additional Contribution Act 1963 and Act 1968 and Further Payments Act 1971, Act 1974 and Act 1977	20,000,000	Australian Apple and Pear Corporation Act 1973	815,000
International Fund for Agricultural Development Act 1977	800,000	Australian Dried Fruits Corporation Act 1978	156,000
	<u>28,000,000</u>	Australian Meat and Livestock Corporation Act 1977	8,111,000
Department of Health		Beef Industry (Incentives Payments) Act 1977	400,000
Payments to or for the States—		Canned Fruits Export Marketing Act 1963	472,000
States Grants (Paramedical Services) Act 1969	104,000	Canned Fruit (Sales Promotion) Act 1959	110,000
National Welfare Fund Act 1943	1,240,145,000	Chicken Meat Research Act 1969	418,000
	<u>1,240,249,000</u>	Dairying Industry Stabilization Act 1977	85,300,000
Department of Housing and Construction		Dairying Research Act 1972	872,000
Payments to or for the States—		Dairy Produce Act 1924	2,032,000
States Grants (Housing) Act 1971	5,500,000	Dairy Produce Sales Promotion Act 1958	3,420,000
National Welfare Fund Act 1943—		Dried Fruits Research Act 1971	140,000
Homes Savings Grant Act 1964	114,000	Dried Vine Fruits Stabilization Act 1971	1,160,000
	<u>5,614,000</u>	Fishing Industry Research Act 1969	850,000
Department of Industrial Relations		Honey Industry Act 1962	256,000
Payments to or for the States—		Livestock Slaughter Levy Collection Act 1976	23,113,000
Coal Mining Industry Long Service Leave Act 1949	12,000,000	Meat Research Act 1960	6,598,000
Other—		Oilseeds Research Act 1977	620,000
Stevedoring Industry Finance Committee Act 1977	19,500,000	Pig Meat Promotion Act 1975	455,000
	<u>31,500,000</u>	Pig Industry Research Act 1971	578,000
Department of Industry and Commerce		Poultry Industry Assistance Act 1965	19,350,000
Ship Construction Bounty Act 1975	10,126,000	Tobacco Industry Act 1955	404,000
Department of National Development		Wheat Industry Stabilization Act 1974	30,000,000
Payments to or for the States—		Wheat Research Act 1957	4,600,000
Western Australia Agreement (Ord River Irrigation) Act 1968	67,000	Wine Overseas Marketing Act 1929	1,056,000
Other—		Wool Industry Act 1972—	
Coal Research Assistance Act 1977	4,320,000	Promotion and Research	37,500,000
	<u>4,387,000</u>	Australian Wool Corporation—	62,500,000
Department of Primary Industry		Market Support Fund	<u>301,126,000</u>
		Department of Science and the Environment	
		Payments to or for the States—	
		Captains Flat (Abatement of Pollution) Agreement Act 1975	37,500
		Department of Social Security	
		National Welfare Fund Act 1943—	

	Estimate 1979-80		Estimate 1979-80
	\$		\$
Social Services Act 1947	7,390,210,000	Loans (Australian Industry Development Corporation) Act 1974	5,830,000
Aged or Disabled Persons Homes Act 1954	14,123,000	Loans (Australian Shipping Commission) Act 1975	4,461,000
Delivered Meals Subsidy Act 1970	2,500,000	Less—	
Homeless Persons Assistances Act 1974	1,160,000	Interest paid by States on Advances made under the Commonwealth and State Housing Agreements	Cr 154,500,000
States Grants (Deserted Wives) Act 1968	28,000,000	Interest paid by States on other Loans	Cr 1,110,865,000
	<u>7,435,995,000</u>	Interest paid by Banks under the Banks (Housing Loans) Act 1974	Cr 5,196,000
Department of Trade and Resources		Interest paid under States Grants (Fruit Canners) Act 1976	Cr 204,000
Australian Overseas Projects Corporation Act 1978	1,000,000	Interest paid by Qantas Airways Limited	Cr 8,018,000
International Sugar Agreement Act 1978	27,500,000	Interest paid by the Australian National Airlines Commission	Cr 4,338,000
	<u>28,500,000</u>	Interest paid by the Australian Industry Development Corporation	Cr 5,830,000
Department of Transport		Interest paid by Australian Shipping Commission	Cr 4,461,000
Payments to or for the States—		National Debt Sinking Fund Act 1966	456,000,000
National Railway Network (Financial Assistance) Act 1979	11,000,000	Loans (Qantas Airways Limited) Act 1972, 1974 and Act 1976—	
States Grants (Urban Public Transport) Act 1978	40,132,000	Miscellaneous charges	Cr 45,000
	<u>51,132,000</u>	Less payments by Qantas Airways Limited	Cr 45,000
Department of the Treasury		Loans (Australian National Airlines Commission) Act 1972, Act 1974 and Act 1976—	
Payments to or for the States—		Miscellaneous charges	Cr 60,000
States' (Personal Income Tax Sharing) Act 1976	5,419,600,000	Less payments by Australian National Airlines Commission	Cr 60,000
Local Government (Personal Income Tax Sharing) Act 1976	221,740,000	Loans (Australian Industry Development Corporation) Act 1974—	
Interest on State Debts—	15,170,000	Miscellaneous charges	Cr 25,000
Contribution—Financial Agreement Act 1976	38,149,000	Less payments by Australian Industry Development Corporation	Cr 25,000
Sinking Fund on State Debts—	<u>5,694,659,000</u>	Loans (Australian Shipping Commission) Act 1975—	
Contribution Financial Agreement Act 1976		Miscellaneous charges	Cr 25,000
Total Payments to or for the States		Less payments by Australian Shipping Commission	Cr 200,000
Debt Charges—		Loans Redemption and Conversion Act 1921—Flotation expenses	20,000
Interest		Loan (Drought Bonds) Act 1969	<u>20,000</u>
Commonwealth Inscribed Stock Act 1911, Commonwealth Debt Conversion Act 1931, and Act 1932, Treasury Bills Act 1914, Loans Securities Act 1919, Loans Redemption and Conversion Act 1921	2,272,865,000	Total Debt Charges	1,462,276,000
Loan (Defence) Act 1968, Act 1970 and Act 1971	427,000	Refunds of Revenue—	
Loan (International Bank for Reconstruction and Development) Act 1962	3,529,000	Income Tax Assessment Act 1936, Sections—221U, 221YV and 160AN	1,200,000,000
Loans (Qantas Airways Limited) Act 1971, 1972, 1974 and 1976	8,018,000	Less amount of Refunds deducted from Revenue items	Cr 1,200,000,000
Loans (Australian National Airlines Commission) Act 1972, 1974 and 1976	4,338,000	Other—	8,423,000
		Asian Development Bank Act 1966 and Additional Subscription Act 1972 and Act 1977	

	Estimate 1979-80
	5
Loan (Income Equalization Do- pasia) Act 1976	
International Monetary Agree- ment Amendment Act 1978	1,841,000
Loan (International Bank for Re- construction and Develop- ment) Act 1962--Repayments	4,807,000
Loan (Defence) Act 1966, Act 1968, Act 1970, Act 1971-- Purchase of Equipment and Services--Repayments	8,893,000
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Total other	27,294,000
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	7,184,229,000
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Department of Veterans' Affairs	
Repatriation Act 1920, Repatri- ation (Special Overseas Ser- vice) Act 1962, Repatriation (Far East Strategic Reserve) Act 1956, Interim Forces Benefits Act 1947, Seaman's War Pensions and Allowances Act 1940 and Papua New Guinea (Members of the De- fence Forces' Benefits) Act 1937	
Pensions and allowances for vet- erans and their dependants	263,853,000
Pensions and allowances for war and defence widows and other dependants	176,909,000
Service pensions	534,166,000
Pensions and allowances for sea- men and other civilians	1,100,000
Medical sustenance allowances	5,000
Loss of earnings allowances	280,000
Miscellaneous benefits	3,316,000
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	979,629,000
Defence Service Homes Act 1918 (Section 39C)	9,976,000
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	989,605,000
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Total	19,328,890,000

MR PRESIDENT,

I PRESENT THE 179TH AND 180TH REPORTS FROM THE JOINT
COMMITTEE OF PUBLIC ACCOUNTS.

MR PRESIDENT, I MOVE THAT THE REPORTS BE PRINTED.

(WHEN MOTION HAS BEEN AGREED TO)

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

(WHEN LEAVE HAS BEEN GRANTED)

MR PRESIDENT, COPIES OF THE REPORTS ARE LIMITED AT THE MOMENT
BUT ARE AVAILABLE FOR PERUSAL IN THE LIBRARY OR THE TABLE
OFFICE.

THE 179TH REPORT IS THE ANNUAL REPORT OF THE COMMITTEE FOR THE CALENDAR YEAR 1979.

IN 1976 I COMMENCED THE PRACTICE OF INFORMING THE PARLIAMENT OF THE ACTIVITIES DURING THE PAST YEAR OF THE JOINT PARLIAMENTARY COMMITTEE OF PUBLIC ACCOUNTS.

THIS REPORT CONTAINS THE SALIENT POINTS MADE IN REPORTS TABLED DURING THE YEAR, ISSUES ARISING OUT OF INQUIRIES, AND OTHER MATTERS WHICH THE COMMITTEE CONSIDERS AS SIGNIFICANT AND INCLUDE:

- . THE RELATIONSHIP BETWEEN THE PARLIAMENT AND THE EXECUTIVE,
- . THE ACCOUNTABILITY OF STATUTORY AND OTHER AUTHORITIES,
- . THE LIMITATIONS OF PARLIAMENTARY CONTROL OVER EXPENDITURE,
- . THE EFFECTS OF FINANCIAL RESTRAINTS AND STAFF CEILINGS,
- . THE COLLECTION OF REVENUE,
- . PREFERENCE FOR AUSTRALIAN-MADE GOODS PURCHASED BY
COMMONWEALTH AUTHORITIES,
- . THE FORM OF THE PUBLIC ACCOUNTS,
- . FEDERAL/STATE FINANCIAL RELATIONS,
- . EFFICIENCY AND INTERNAL AUDITING.

I WOULD LIKE TO DWELL FOR A MOMENT ON PARLIAMENTARY SCRUTINY. OVER THE LAST FEW YEARS COMPLAINTS HAVE GROWN ABOUT THE EROSION OF PARLIAMENT'S CONTROL OVER EXPENDITURE AND IN PARTICULAR, ABOUT A WEAKENING IN THE POSITION OF PRIVATE MEMBERS.

THE STRIKING FEATURE OF THE BUDGET PROCESS IS THE ^{LATE} STAGE AT WHICH THE LEGISLATURE BECOMES INVOLVED. THE MAJOR LIMITATION IN

LEGISLATIVE SCRUTINY, LET ALONE CONTROL, HAS BEEN THE GROWTH IN THE SIZE OF PUBLIC SPENDING. THE ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT IN 1978 ESTIMATED THAT THE SHARE OF PUBLIC SPENDING OF GROSS DOMESTIC PRODUCT AT CURRENT PRICES WAS 41.4 PER CENT, ON AVERAGE, IN ITS 24 MEMBER COUNTRIES BETWEEN 1974 AND 1976, COMPARED WITH 28.5 PER CENT BETWEEN 1955 AND 1957. FOR AUSTRALIA THESE PERCENTAGES WERE 32.8 AND 21.7 RESPECTIVELY.

THE NUMBER OF STATE FUNCTIONS AND AGENCIES HAS RISEN AND THERE ARE NOW OVER 250 COMMONWEALTH STATUTORY BODIES. THESE ARE GENERALLY INDEPENDENT, TO A CONSIDERABLE EXTENT, OF MINISTERIAL AND PARLIAMENTARY CONTROL, ALTHOUGH MOST ARE PARTIALLY OR WHOLLY DEPENDENT ON FEDERAL PARLIAMENT FOR FUNDING. PARLIAMENT REVIEWS EXPENDITURE PROPOSALS OF ONLY ABOUT ONE THIRD OF TOTAL GOVERNMENT OUTLAYS IN THE ANNUAL APPROPRIATION BILLS. THE OTHER TWO THIRDS ARE PERMANENT APPROPRIATIONS. A PARTICULAR PERMANENT APPROPRIATION CAN ONLY BE EXAMINED WHEN A BILL IS INTRODUCED, AMENDING ITS ACT.

IN THE FINANCIAL YEAR 1979-80 THE TOTAL COMMONWEALTH PUBLIC SECTOR OUTLAYS WERE \$31.7 BILLION (OR ABOUT 29 PER CENT OF GROSS NATIONAL PRODUCT). THIS REPRESENTS A GROWTH OF ABOUT 25 PER CENT IN THE LAST DECADE, YET, IN THIS PERIOD, PARLIAMENT REVIEWED EXPENDITURE PROPOSALS IN THE BUDGETARY CONTEXT OF ONLY ABOUT 31 PER CENT OF TOTAL GOVERNMENT OUTLAYS. SIGNIFICANT

AMOUNTS IN PERMANENT APPROPRIATIONS DURING 1979-80 INCLUDE SOCIAL SERVICE AND WELFARE PAYMENTS OF \$8.9 BILLION, AND TRANSFER PAYMENTS AND ADVANCES TO THE STATES OF \$11.6 BILLION. NEITHER THE HOUSE OF REPRESENTATIVES NOR THE SENATE EXAMINES THESE PERMANENT APPROPRIATIONS ON A REGULAR BASIS. THE PUBLIC ACCOUNTS COMMITTEE INTENDS TO EXAMINE THIS MATTER AND ADVISE THE PARLIAMENT.

I WOULD LIKE TO REFER TO THE COMMITTEE'S OPERATIONS. DURING 1979, THERE WERE A TOTAL OF 51 MEETINGS OF THE COMMITTEE AND SUB-COMMITTEES AND 4 REPORTS WERE TABLED IN THE PARLIAMENT. IN JUNE 1979 THE COMMITTEE CONDUCTED THE FIRST PARLIAMENTARY SEMINAR ON THE SUBJECT OF FINANCIAL ADMINISTRATION - PARLIAMENTARY SCRUTINY. A SECOND SEMINAR WAS HELD IN MAY THIS YEAR. THE SEMINARS CONDUCTED BY THE COMMITTEE PROVIDE A FORUM FOR EXCHANGE OF VIEWS AND AID THE DEVELOPMENT OF CLOSER RELATIONSHIPS BETWEEN MEMBERS OF PARLIAMENT, PUBLIC SERVANTS AND STUDENTS OF POLITICAL SCIENCE AND PUBLIC ADMINISTRATION.

THE 180TH REPORT COMPRISES THREE DEPARTMENT OF FINANCE MINUTES WHICH REPORT THE FOLLOW-UP ACTION TAKEN ON THE COMMITTEE'S RECOMMENDATIONS AND CONCLUSIONS. THEY REFER TO THE COMMITTEE'S 167TH, 171ST AND 178TH REPORTS.

IN ITS 167TH REPORT THE COMMITTEE TOOK UP THE AUDITOR-GENERAL'S CRITICISM OF THE DEPARTMENT OF FOREIGN AFFAIRS FOR

PERMITTING THE EXPENDITURE OF \$13,687 WITHOUT AUTHORITY ON ALLOWANCES FOR AN OFFICER POSTED TO IRELAND. DUE TO THE COMPLEXITIES OF THE SURCHARGE PROVISIONS OF THE AUDIT ACT, THERE WAS A MARKED RELUCTANCE TO RECOVER THE UNAUTHORISED PAYMENTS FROM INDIVIDUAL OFFICERS AND, WITH SOME REGRET, THE COMMITTEE HAS HAD TO ACCEPT THAT THIS MATTER IS CLOSED. AMENDMENTS TO THE AUDIT ACT 1979, ASSENTED TO ON 7 MARCH 1979, BUT STILL NOT PROCLAIMED, WILL REMOVE THE SURCHARGE PROVISION.

IN THE 180TH REPORT, THE COMMITTEE AGAIN EMPHASISES THE IMPORTANCE WHICH IT ATTACHES TO THE PRESENTATION OF TIMELY FINANCIAL STATEMENTS OF STATUTORY ORGANISATIONS FOR AUDIT IN ACCORDANCE WITH STATUTORY REQUIREMENTS. THESE REQUIREMENTS ARE INTENDED TO PROVIDE THE PARLIAMENT AND THE PUBLIC WITH INDEPENDENT, EXPERT ADVICE ON BOTH THE ADEQUACY OF THOSE STATEMENTS, AS A REPORT ON FINANCIAL STANDING, AND AS AN INDICATOR OF THE EFFICIENCY OF PUBLIC SECTOR MANAGEMENT. THE PREPARATION OF FINANCIAL STATEMENTS SHOULD, THEREFORE BE GIVEN A LEVEL OF PRIORITY FOR PURPOSES OF RESOURCE ALLOCATION COMMENSURATE WITH THEIR ROLE IN PUBLIC ADMINISTRATION.

THE COMMITTEE MADE SOME SPECIFIC COMMENTS ON THIS MATTER IN RELATION TO INQUIRIES CONDUCTED, ARISING FROM THE AUDITOR-GENERAL'S REPORT FROM 1976-77, INTO THE AUSTRALIAN WHEAT BOARD, THE DARWIN COMMUNITY COLLEGE AND THE AUSTRALIAN GOVERNMENT RETIREMENT BENEFITS OFFICE.

DURING ITS INQUIRY INTO HOUSING RENTAL IN THE NORTHERN TERRITORY, THE COMMITTEE DISCOVERED THAT BECAUSE OF LACK OF COMMUNICATIONS BETWEEN MINISTERS' OFFICES AND THEIR DEPARTMENTS A CABINET DECISION WAS NOT IMPLEMENTED. IN SUGGESTING A STRONGER CO-ORDINATION ROLE FOR THE CABINET OFFICE THE COMMITTEE WAS LOOKING FOR A FAIL SAFE METHOD OF ENSURING DECISIONS WERE ACTED UPON PROMPTLY.

THE MINUTE REFERRING TO THE COMMITTEE'S 178TH REPORT DETAILS THE ACTION TAKEN TO RECTIFY FAULTS IN PROCEDURES AND CONTROLS DISCOVERED DURING THE COMMITTEE'S EXAMINATION OF THE USE OF THE ADVANCE TO THE MINISTER FOR FINANCE BY DEPARTMENTS IN THE FINANCIAL YEAR 1978-79.

THE COMMITTEE WELCOMES THE SUPPORT GIVEN BY THE MINISTER FOR FINANCE TO THE COMMITTEE'S VIEW THAT DEPARTMENTS AND AUTHORITIES SHOULD ACCEPT THEIR OBLIGATIONS TO THEIR CREDITORS, AND SETTLE ACCOUNTS PROMPTLY.

THE COMMITTEE IS CONCERNED WITH THE TIME TAKEN TO RECTIFY SOME OF THE FAULTS IN PROCEDURES AND CONTROL DISCOVERED DURING THE COMMITTEE'S EXAMINATION OF DEPARTMENTS AND AUTHORITIES. THERE IS A DISTINCT NEED FOR A CLOSER MONITORING OF THE IMPLEMENTATION OF THE COMMITTEE'S CONCLUSIONS AND RECOMMENDATIONS. WE WILL BE SEEKING APPROVAL TO HAVE AN OFFICER APPOINTED TO ITS SECRETARIAT FOR THIS PURPOSE.

I COMMEND THE REPORT TO HONOURABLE MEMBERS/SENATORS.