

The Parliament of the Commonwealth of Australia

Joint Committee of Public Accounts

REPORT 339

ANNUAL REPORT OF ACTIVITIES 1994-95

October 1995

Australian Government Printing Office
Canberra



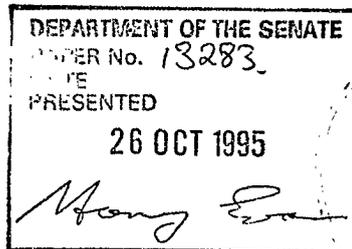
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CHAIRMAN'S REVIEW



On behalf of the members of the Joint Committee of Public Accounts, I am pleased to present the Committee's annual report of activities for 1994-95.

The year has been particularly busy for the Committee. During the year, it tabled 7 reports, which was two more than in the previous financial year. The Committee was also extremely active with inquiries into the administration of specific purpose payments, accrual reporting, cash management, whole of government reporting and fiscal responsibility legislation. Public hearings for these inquiries have taken the Committee to all capital cities except Darwin and allowed the Committee to hear first hand from national and state experts in their fields.

The Committee has also been busy during the year fulfilling its statutory obligations to review reports by the Auditor-General and consider the annual reporting requirements for Commonwealth departments.

I believe that the Committee has had a significant role in improving the Commonwealth's administrative and financial processes and its accountability to Parliament. In particular, the Committee has played a key role through its review of the package of financial management and accountability legislation designed to replace the *Audit Act 1901*. The legislation, when enacted, will provide the backbone of the Commonwealth's financial and accountability processes into the next century. The JCPA saw its review of the proposed legislation as an excellent demonstration that parliamentary committees can make a valuable contribution to the legislative process and improve the quality of legislation.

Another highlight of the Committee's year was a visit to New Zealand as part of the committee exchange program established by the Australian and New Zealand Parliaments. The opportunity to discuss issues of mutual interest with our counterparts on the New Zealand Finance and Expenditure Committee and a great number of public and private sector representatives was invaluable.

The Committee has a full program of inquiries to see it into the 1995-96 year. I am confident that the Committee's activities will be as interesting and significant as they have been in the previous year.

It has been a busy time for all Committee members and I thank them for their unstinting efforts and active involvement in the Committee's activities.

On behalf of the Committee, I would also like to thank the staff of the Committee secretariat for their assistance and support throughout the year.

Les Scott MP
Chairman

MEMBERSHIP OF THE COMMITTEE

As at the 30 June 1995 the members of the eighteenth Joint Committee of Public Accounts were:

Les Scott MP (Chairman)

Les Scott was elected as the Member for Oxley, a Queensland electorate, in 1988. Mr Scott is a member of the Australian Labor Party. Before entering Parliament he worked in the banking industry and was a senior union official. Since 1990 Mr Scott has been on the panel of Deputy Speakers of the House of Representatives. He has been a member of the Joint Committee of Public Accounts since November 1988 and Chairman of the Committee since May 1993.

Alex Somlyay MP (Vice Chairman)

Alex Somlyay was elected as the Member for Fairfax, an electorate in Queensland, in 1990. Mr Somlyay is a member of the Liberal Party of Australia. Mr Somlyay has been Parliamentary Secretary to the Opposition Shadow Ministry and Secretary to Shadow Cabinet. He has also been Parliamentary Secretary to the Leader of the Opposition. Before entering Parliament Mr Somlyay worked as a public servant, ministerial adviser, economics consultant and company director. Mr Somlyay joined the Joint Committee of Public Accounts in May 1990 and has been Vice-Chairman of the Committee since June 1994.

Julian Beale MP

Julian Beale was elected as the member for Bruce, a Victorian electorate, in 1984. Mr Beale is a member of the Liberal Party of Australia. Mr Beale has held a number of shadow ministerial responsibilities in his parliamentary career, including housing, employment, training, youth affairs, small business and privatisation. Before entering Parliament Mr Beale worked in the engineering and oil industries, and as a management and investment consultant. Mr Beale joined the Joint Committee of Public Accounts in June 1994.

Hon Bob Brown MP

Bob Brown was first elected to the Commonwealth Parliament in 1980 and is currently the Member for Charlton, an electorate in New South Wales. Mr Brown is a member of the Australian Labor Party. Between 1988 and 1993 Mr Brown held two ministerial portfolios: he was first the Minister for Land Transport and Shipping Support, and, following the 1990 election, was Minister for Land Transport. Before his election to the Commonwealth Parliament Mr Brown was a member of the New South Wales Parliament and Mayor of the Cessnock City Council. Mr Brown was a member of the Joint Committee of Public Accounts from October 1987 until August 1988, and was reappointed to the Committee in May 1993.

Senator Barney Cooney

Barney Cooney was elected as one of the Senators for Victoria in 1984.

Senator Cooney is a member of the Australian Labor Party. He practised as a barrister at the Victorian Bar before being elected to the Senate. Senator Cooney has had two periods of membership on the Joint Committee of Public Accounts: the first from February 1985 until October 1987, and currently from August 1993.

Mary Easson MP

Mary Easson was elected to the House of Representatives as the Member for Lowe in 1993. She is a member of the Australian Labor Party. Before entering Parliament Mrs Easson was a business consultant specialising in public and government affairs. She joined the Joint Committee of Public Accounts in February 1994.

Eric Fitzgibbon MP

Eric Fitzgibbon was elected as the Member for Hunter, a New South Wales electorate, in 1984. He is a member of the Australian Labor Party. Mr Fitzgibbon is a former high school teacher and Mayor of the City of Cessnock. Mr Fitzgibbon has been a member of the Joint Committee of Public Accounts since October 1987.

Senator Michael Forshaw

Michael Forshaw became a Senator for New South Wales in May 1994. Senator Forshaw is a member of the Australian Labor Party. Senator Forshaw has been admitted as a barrister, and was formerly a senior union official. Senator Forshaw joined the Joint Committee of Public Accounts in May 1994.

Senator Brian Gibson

Brian Gibson was elected to the Senate in 1993 as one of the Senators for Tasmania. He is a member of the Liberal Party of Australia. Senator Gibson is Parliamentary Secretary to the Deputy Leader of the Opposition in the Senate. Prior to his election, Senator Gibson worked in forest based industries, held a number of company directorships and was Chairman and Commissioner of the Tasmanian Hydro-Electric Commission. Senator Gibson has been a member of the Joint Committee of Public Accounts since February 1994.

Alan Griffin MP

Alan Griffin is the Member for Corinella. He was elected to this Victorian seat in 1993. Mr Griffin is a member of the Australian Labor Party. He is a former union officer and has worked as a ministerial adviser for both the Victorian and Commonwealth Governments. Mr Griffin joined the Joint Committee of Public Accounts in May 1993.

Chris Haviland MP

Chris Haviland is the Member for Macarthur. He was elected to this New South Wales seat in 1993. He is a member of the Australian Labor Party. Mr Haviland is a former Commonwealth public servant and alderman with the Campbelltown City Council. Mr Haviland has been a member of the Joint Committee of Public Accounts since May 1993.

Senator Belinda Neal

Belinda Neal became a Senator for New South Wales in 1994. She is a member of the Australian Labor Party. Senator Neal is a solicitor, former union officer and councillor with the Gosford City Council. Senator Neal joined the Joint Committee of Public Accounts in March 1994.

Bill Taylor MP

Bill Taylor was elected as the Member for Groom, a Queensland electorate, in 1988. Mr Taylor is a former officer of the Royal Australian Navy and has a strong academic background in public policy formulation. Mr Taylor has been a member of the Joint Committee of Public Accounts since May 1993.

Mark Vaile MP

Mark Vaile has been the Member for Lyne, a New South Wales rural and regional electorate, since 1993. Mr Vaile is a member of the National Party of Australia. Before being elected to the

Commonwealth Parliament, Mr Vaile worked as a stock and station agent. Mr Vaile was also an alderman, and Deputy Mayor, with the Taree City Council. Mr Vaile joined the Joint Committee of Public Accounts in May 1993.

Senator Bob Woods

Bob Woods was first elected to the Commonwealth parliament in 1987 as the Member for Lowe, a New South Wales electorate. From 1990 to 1993 he was the shadow spokesperson for health and from 1992 was a member of the Shadow Cabinet. Dr Woods lost his seat in the 1993 federal election, but returned to parliament as a Senator for New South Wales in 1994. Senator Woods was a member of the Joint Committee of Public Accounts from June 1989 until February 1990, and was reappointed to the Committee in June 1994.

COMMITTEE PHOTOGRAPH



This Committee is the eighteenth appointed under the
Public Accounts Committee Act 1951

Front (left to right)

Hon Bob Brown MP; Alex Somlyay MP (Vice-Chairman); Mary Easson MP;
Les Scott MP (Chairman); Senator Belinda Neal

Back (left to right)

Grant Harrison (Secretary); Senator Brian Gibson; Alan Griffin MP;
Julian Beale MP; Mark Vaile MP; Senator Bob Woods; Senator Michael Forshaw;
Chris Haviland MP; Bill Taylor MP;

Absent

Senator Barney Cooney; Eric Fitzgibbon MP

HIGHLIGHTS OF THE YEAR

1994

- 22 September 1994 - tabling of *Report 331, An Advisory Report on the Financial Management and Accountability Bill 1994, The Commonwealth Authorities and Companies Bill 1994 and the Auditor-General Bill 1994; and on a Proposal to Establish an Audit Committee of Parliament*
- 22 September 1994 - tabling of *Report 332, The Australian Government Credit Card*
- 11 October 1994 - tabling of *Report 333, The Sale of Aussat*
- 20 October 1994 - tabling of *Report 334, Annual Report of Activities, 1993-94*
- 28 November to 1 December 1994 - Committee exchange trip to New Zealand

1995

- 9 February 1995 - announcement of a watching brief over the work of the Tax Law Improvement Project
- 14 March 1995 - Chairman's address to the International Convention of Accountants, Canberra
- 30 March 1995 - tabling of *Report 335, Finance Minutes tabled in 1994*
- 11 May 1995 - tabling of *Report 336, Public Business in the Public Interest: An Inquiry into Commercialisation in the Commonwealth Public Sector*
- 6 June 1995 - Chairman's address to an OECD seminar on Legislatures and Performance Auditing, Paris
- 29 June 1995 - tabling of *Report 337, A Focus on Accountability: Review of Auditor-General's Reports, 1992-93*

COMMITTEE INQUIRIES

Inquiries Active at 1 July 1994

Commercialisation of public sector operations (inquiry initiated on 17 June 1993)

Administration of Commonwealth-State agreements for specific purpose payments (inquiry initiated on 2 February 1994)

Review of Financial Management and Accountability Bill 1994, the Commonwealth Authorities and Companies Bill 1994, and the Auditor-General 1994 (reference received from the House of Representatives on 29 June 1994)

Review of a proposal to establish an audit committee of Parliament, giving particular attention to the appropriateness of establishing a separate committee rather than conferring the functions of the proposed committee on the Joint Committee of Public Accounts (reference received from the Senate on 30 June 1994)

Review of reports of Auditor-General (an on-going statutory responsibility)

Inquiries Active at 30 June 1995

Administration of Commonwealth-State agreements for specific purpose payments (inquiry initiated on 2 February 1994)

Accrual reporting by commonwealth agencies (inquiry initiated on 5 December 1994)

Cash management in commonwealth agencies government departments (inquiry initiated on 5 December 1994)

The appropriateness of fiscal responsibility legislation for the Commonwealth (inquiry initiated on 31 May 1995)

The implementation of whole of government reporting by the Commonwealth (inquiry initiated on 31 May 1995)

Review of reports of the Auditor-General (an ongoing statutory responsibility)

Other major projects active at 30 June 1995

Watching brief over the Tax Law Improvement Project (review initiated on 8 February 1995)

Consideration of the accountability arrangements for joint Commonwealth and State inter-governmental bodies.

Consideration of the annual reporting requirements for Commonwealth departments.

1. THE COMMITTEE AND HOW IT WORKS

Duties of the Committee

The Joint Committee of Public Accounts is a committee of the Commonwealth Parliament. The Committee is established pursuant to the *Public Accounts Committee Act 1951* and is empowered to scrutinise the moneys spent by Commonwealth agencies from funds appropriated to them.

Specifically, section 8(1) of the Public Accounts Committee Act describes the Committee's duties as being 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*;
- examine the financial affairs of authorities of the Commonwealth to which the Act applies and of inter-government bodies to which the Act applies;
- 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 Parliament;
- 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;

- 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, issues or payment of public moneys; and
- inquire into any question in connection with the public accounts which is referred to it by either House of Parliament, and to report to the House upon that question.

The Public Accounts Committee Act also empowers the Committee to undertake such other duties as are assigned to it by Joint Standing Orders approved by both House of Parliament.

In addition to these duties, the Committee is responsible for approving annual report requirements for Commonwealth departments. This responsibility is conferred by section 25 of the *Public Service Act 1922*.

Membership of the Committee

The Public Accounts Committee Act provides that a Joint Committee of Public Accounts will be appointed at the beginning of each Parliament, and that the Committee shall have 15 members - five of whom shall be appointed by the Senate and ten of whom shall be appointed by the House of Representatives.

The Committee has a majority of Government members, and by convention, the Committee is chaired by a Government member. The Vice-Chairman is always a member of the Opposition.

Traditionally the Committee adopts a co-operative and bipartisan approach to its work. Of the 337 reports tabled since 1953, all but three have been unanimous.¹

How the Committee Works

Source of Inquiries

The Committee has the capacity to determine its own work program and priorities. This power is derived principally from section 8(1)(b) of the Public Accounts Committee Act, which enables the Committee to report to Parliament on any items or matters in the Commonwealth's accounts and financial statements or in reports of the Auditor-General, 'or any circumstances connected with them, to which the Committee is of the opinion that the attention of the Parliament should be directed'.

The other main sources of the Committee's work are described in section 8(1)(ab) and 8(1)(d) of the Act, which state that the Committee is to examine reports of the Auditor-General and to inquire into any question referred to it by the Parliament.

Recent examples of work arising from each of these sources are:

- *Report 331, An Advisory Report on the Financial Management and Accountability Bill 1994, The Commonwealth Authorities and Companies Bill 1994 and the Auditor-General Bill 1994, and on a Proposal to Establish a Audit Committee of Parliament* (matters which were referred by the House of Representatives and the Senate respectively);
- *Report 336, Public Business in the Public Interest: An Inquiry into Commercialisation in the Commonwealth Public Sector* (a self initiated inquiry); and
- *Report 337, A Focus on Accountability: Review of Auditor-General's Reports, 1992-93* (which was the result of the Committees obligation to review reports of the Auditor-General).

Conduct of Inquiries

Although the Committee holds regular private meetings, it generally conducts its inquiries in public.

At the outset of an inquiry, once the terms of reference are settled, the Committee usually advertises its inquiry in the national press. The advertisements call for written submissions from interested individuals and organisations. The Committee also seeks information and comment from people with an expert knowledge of the issues under review. Further evidence is gathered from inspections, public hearings or as a result of questionnaires prepared by the Committee.

The Committee is assisted by a full time secretariat, by observers from the Department of Finance, and by observers and secondees from the Australian National Audit Office. The Committee also occasionally employs consultants to provide advice on particular issues.

The Committee's report are tabled in both houses of Parliament and copies are distributed to all Ministers and Commonwealth agencies with an interest in the subject of the report.

Copies of the report are also sent to witnesses, those who have made submissions and others with an interest in the work of the Committee.

Responses to Reports

Government responses to reports of the Committee can be transmitted in two ways: either by means of a Finance Minute (in those cases where the Committee's recommendations address administrative matters) or by means of a Government response (where the Committee has made policy recommendations).

A Finance Minute is usually received by the Committee within six months of the tabling of a report. It is the Committee's practice to table Finance Minutes in the Parliament as soon as practicable after they are received. The Committee also publishes an annual compilation of all Finance Minutes tabled in the preceding calendar year. The receipt and tabling of Finance Minutes gives the Committee an opportunity to comment on the departmental responses. A recent example of such comment can be found in *Report 335, Finance Minutes tabled in 1994*, which contained the Committee's

comments on aspects of the Finance Minutes, prepared in response to the Committee's *Report 326, An Assessment of Tax* and *Report 330 Review of Auditor-General's Reports May 1991-September 1992*.

Ultimately, if the Committee is dissatisfied with the contents of a particular Finance Minute, it may decide to re-open its inquiry.

Where the Committee makes recommendations of a policy nature, a separate Government response is prepared by the responsible Minister. The Government has given a commitment to the parliament that responses to parliamentary committee reports will be provided within three months of the report being tabled.

It is usual practice for the relevant Minister to table a government response in the Parliament.

¹ The three reports of the Joint Committee of Public Accounts which have contained dissenting comments are:

. *Report 18, The Form and Content of the Financial Documents Presented to the Parliament;*

. *Report 325, The Midford Paramount Case and Related Matters; and*

. *Report 326, An Assessment of Tax.*

2. REPORTS AND OTHER ACHIEVEMENTS

Introduction

The Committee tabled seven reports in the financial year 1994-95. This chapter contains a summary of each report and briefly describes some of the Committee's other achievements in the year.

Report 331, An Advisory Report on the Financial Management and Accountability Bill 1994, the Commonwealth Authorities and Companies Bill 1994 and the Auditor-General Bill 1994, and on a Proposal to Establish an Audit Committee of Parliament

Report 331 contains the results of the Committee's review of a package of three Bills intended to replace the *Audit Act 1901*, and of the Committee's consideration of the Government's proposal to establish an audit committee of Parliament.

The Committee supported, in principle, the scope and much of the detail in all three Bills. The legislation and the proposal to establish an audit committee combined represent a landmark package aimed at improving the framework of Commonwealth financial administration and strengthening the accountability of the public sector to Parliament.

Report 331 contained 39 recommendations to further enhance this package. The Committee was gratified to see that the Government adopted the vast majority of these recommendations.

Unfortunately, as of 30 June 1995, some nine months after the tabling of the

Committee's report, the three bills and the motion to establish an audit committee were still being debated in Parliament.

The contentious issues are:

- the Auditor-General's mandate to conduct performance audits in Government Business Enterprises;
- the extent of the Parliament's involvement in the appointment process for Auditors-General;
- the most appropriate form for an audit committee; and
- certain provisions relating to the disclosure of sensitive information.

The Committee remains of the view that the recommendations in *Report 331* on these matters are sensible and constructive solutions which ought to be taken up.

Irrespective of the eventual outcome of the debates in the Senate and the House, the Committee considers that its review demonstrates that parliamentary committees can make valuable and timely contributions to the legislative process and help ensure that legislation is of the highest quality.

Report 332, The Australian Government Credit Card

Report 332 presented the findings of the Committee's review of two audit reports: *Audit Report No. 21, 1993-94, Efficiency Audit, The Australian Government Credit Card - its debits and credits* and *Audit Report No. 41, 1993-94, Project Audit, The Australian Government Credit Card - Some Aspects of Its Use*.

The audit reports revealed that while the Australian Government Credit Card (AGCC) was intended for making small purchases, some 74 per cent of card expenditure was represented by transactions in excess of \$1 000. The tabling of the audit reports was greeted by intense media interest, some of it misdirected, and the Committee's intention in reviewing the audit reports was to take a dispassionate look at the operation of the AGCC.

The Committee's eleven recommendations are aimed at encouraging a more intelligent and prudent use of the AGCC in future by cardholders, and facilitate more effective management of credit card operations within agencies.

The Government's response to the Committee's recommendations was very positive.

Report 333, The Sale of Aussat

Report 333 contained the findings of the Committee's review of *Audit Report No. 33, 1992-93, Efficiency Audit, The sale of Aussat and best practice for the sale of Commonwealth assets*.

The sale of Aussat Pty Ltd to Optus Communications in December 1991 marked a milestone in the development of Australia's telecommunications system by removing Telecom's longstanding monopoly in the field.

The Committee in reviewing the sale process acknowledged that disposing of Aussat Pty Ltd, which had been operating at a loss for all but one year since the launch of its satellite, and selecting a second telecommunications carrier were both difficult tasks.

The Committee therefore adopted a forward looking approach in *Report 333* and its recommendations were aimed at ensuring that appropriate mechanisms are in place to monitor the future performance of obligations arising from the Aussat sale. The Committee also drew on the lessons from the sale and recommended more effective procedures and controls for the benefit of future sales of Government assets and business enterprises.

The Government's response was to agree with the Committee's recommendations in principle. However, some departments noted that the implementation of the recommendations would need to be considered on a case by case basis.

Report 334, Annual Report of Activities, 1993-94

Report 334 is a report on the Committee's activities in 1993-94. It contains information on reports tabled in 1993-94 and comments on inquiries current in that period.

Report 335, Finance Minutes Tabled in 1994

Report 335 is a consolidated volume of Finance Minutes received and tabled by the Committee in 1994. Finance Minutes are the principal means by which the Government responds to recommendations from the Joint Committee of Public Accounts.

It contains the Finance Minutes relating to the following reports:

- *Report 326, An Assessment of Tax*, and
- *Report 330, Review of Auditor-General's Reports, May 1991 - September 1992.*

The Finance Minute in relation to *Report 326* was particularly notable as it provided a very detailed response from the Australian Taxation Office to the Committee's recommendations.

The Finance Minute on *Report 326* was accompanied by a full Government response which was released publicly by the Assistant Treasurer, Hon George Gear MP, on 23 August 1994. When read together, the Finance Minute and the Assistant Treasurer's statement provide a comprehensive and very positive response to the Committee's report.

Report 336, Public Business in the Public Interest: An Inquiry into Commercialisation in the Commonwealth Public Sector

Report 336 is the result of the Committee's inquiry into commercialisation in the Commonwealth public sector.

The report concludes that commercialisation and corporatisation have led to major improvements in the efficiency and effectiveness with which Commonwealth agencies provide goods and services. The financial performance of commercialised agencies has generally improved and at the same time prices charged to customers have increased at a rate lower than the CPI or, in some cases, have fallen. However, commercialisation has not been without its costs and in some cases the transition could have been managed better.

Although commercialisation is here to stay and the advantages are evident, the process should always be subject to questions such as:

- should the Government be involved in running businesses;
- are the accountability arrangements for commercialised operations sufficient to protect taxpayers from undue risk; and
- are policy advice, regulatory functions and community service obligations adequately provided for in a commercialised environment?

These questions are addressed in *Report 336* and the recommendations in the report are mainly directed toward ensuring that the operating environment and accountability arrangements for government businesses are appropriate.

Report 337, A Focus on Accountability: Review of Auditor-General's Reports, 1992-93

Report 337 contains a review of 37 reports of the Auditor-General which were tabled between September 1992 and June 1993. In most cases the Committee considers that the audited agencies had responded appropriately to the audit findings.

One audit report which was the subject of particular comment in *Report 337* was *Audit Report No. 22, 1992-93, Efficiency Audit, Department of Defence - New Submarine Project.*

Audit Report No. 22, 1992-93 examined the dealings between the Department of Defence and the Australian Submarine Corporation (ASC) in relation to the purchase and construction of six new Collins Class submarines for the Royal Australian Navy.

The Committee's review did not investigate the nature of the contract between the Commonwealth and the ASC, nor examine in detail any specific transactions between the Department of Defence's Project Office and ASC. Rather the Committee's concern was to assess those risks which the audit report had identified as being inadequately managed, and to consider management improvements necessary to overcome these risks for the remainder of the submarine project and for future defence projects.

The Committee concluded that evidence to date indicated that the Project Office has taken all reasonable steps to ensure that the submarine construction and performance standards will be satisfied,

but that some of the audit findings in relation to financial and scheduling risks warrant close attention by the Department of Defence.

Tabling of a Report from the Comptroller-General of Customs

On 17 November 1994, the Chairman tabled in Parliament a report by the former Comptroller of Customs, Mr Frank Kelly in relation to recommendation 91 of *Report 325, The Midford Paramount Case and Related Matters.*

Recommendation 91 called on the Comptroller-General to review the levels, functions and suitability of the Australian Customs Service officers involved in the Midford Case.

In his report Mr Kelly found that, although the performance of a number of customs officers was flawed, there was no evidence of fraud, dishonesty or illegal behaviour by any officer.

The Committee decided to table Mr Kelly's report for two reasons: firstly because the report had arisen out of the Committee's public inquiry; and secondly, because most of the individuals mentioned in the report urged the Committee to make the report publicly available.

3. WORK IN PROGRESS

Introduction

This chapter provides a brief description of the inquiries and other activities being conducted by the Committee as at 30 June 1995. An account is given of the status of each inquiry, together with an overview of the issues being considered.

Inquiry into the Administration of Commonwealth-State Agreements for Specific Purpose Payments

During the year 1994-95, the Committee continued its inquiry into the administration of Commonwealth - State Agreements for Specific Purpose Payments (SPPs). SPPs are one of the mechanisms by which the Commonwealth provides financial assistance to the States and Territories, usually with conditions attached on how the funds are to be spent.

In the year, the Committee held an extensive program of public hearings in Sydney (twice), Brisbane, Perth, Adelaide, Melbourne, Hobart and Canberra (three times). The purpose of the hearings in state capitals was to gain evidence from State and Territory governments, State Auditors-General and the range of non-government agencies that are involved in the administration and implementation of SPP programs. The Committee held the Canberra hearings to examine the Commonwealth perspective on SPP administration from administering departments, central coordinating agencies and the Auditor-General.

The Committee and the Australian National Audit Office also completed a joint survey of SPP administration by Commonwealth departments. The data

gained in the survey was analysed by the Committee and the Audit Office and the major findings published in the Auditor-General's *Audit Report No. 21, 1994-95, Specific Purpose Payments to and through the States and Territories*, which was tabled in February 1995.

In addition, the Committee wrote to all Premiers and Chief Ministers with a series of questions seeking information to complement the evidence gained through the survey and at public hearings.

The evidence gathered to date suggests that there needs to be a clearer focus on achieving SPP objectives and assessing the performance of the parties to the agreements. There have also been consistent criticisms by state governments that Commonwealth departments are too involved in the micro management of SPPs, something that the states believe should be left to them.

The Committee will be using the information gained from these various sources in its final report, which is expected to be tabled in November 1995.

Inquiry into Accrual Reporting by Commonwealth Agencies

The Committee's inquiry arose from a consideration of two reports of the Auditor-General: *Audit Report No. 32, 1993-94, Efficiency Audit, Accrual Reporting - Are Agencies Ready?* and *Audit Report No. 16, 1994-95, Follow-up Audit, Accrual Reporting - Are Agencies Ready?*

The Committee's interest in promoting the use of accrual concepts has a long history.

In *Report 34, The Trust Fund*, which was tabled in 1957, the Committee argued that Commonwealth bodies operating on a trust account, rather than from the Consolidated Revenue Fund, should keep a profit and loss account and a balance sheet which should be certified by the Auditor-General. Later, in 1982, the Committee recommended that cash based accounting should be eliminated as the primary basis for financial reporting by Commonwealth authorities and, instead, that accrual accounting should be adopted.

It also became clear in the Committee's inquiry into the commercialisation of public sector operations that many Commonwealth agencies, particularly those which had moved to adopt a more commercial approach to program and service delivery, had found accrual reporting and accounting to be a valuable management tool.

For this reason the Committee quickly broadened its inquiry beyond the assessment of the readiness of Commonwealth agencies to produce accrual based financial statements for 1994-95, to the uses of accrual information (by the Government, by agency managers and by external reviewers) to facilitate better judgements about operating performance, economic impact and the stewardship of public resources.

During the review, the Committee has received evidence at public hearings in Canberra (13 February 1995, 12 April 1995 and 22 May 1995), Sydney (21 February 1995), and Melbourne (10 April 1995) at which the experiences of agencies within the Commonwealth, New South Wales and Victorian jurisdictions were canvassed. As well, information was sought from other States and Territories, and from New Zealand which has been at the forefront

of introducing accrual accounting for government agencies.

In reviewing the progress in the Commonwealth arena, the Committee has been keen to examine:

- the use being made of accrual-based financial information both within agencies and elsewhere;
- the progress being made by agencies from accrual reporting to full accrual accounting; and
- the assistance being provided to agencies by the central coordinating agencies.

Another issue which has arisen during the inquiry has been the merits or otherwise of the preparation of whole of government reports. The Committee intends to consider whole of government reporting both in the context of its accrual reporting inquiry, and as the focus of a separate inquiry (see below).

The report of this inquiry will be tabled in August 1995.

Inquiry into Cash Management in Commonwealth Government Departments

This review resulted from the Committee's examination of two audit reports on the topic of cash management in the Commonwealth:

- *Audit Report No. 22, 1993-94, Efficiency Audit, Cash Management in Commonwealth Government Departments*; and
- *Audit Report No. 10, 1994-95, Efficiency Audit, Cash Management in Commonwealth Government Departments*.

Both reports result from the same performance audit, with the first an interim report and the second the final report. The Committee's consideration has focussed on *Report No. 10, 1994-95*.

The Committee's decision to give special attention to the cash management reports took into account:

- the huge amounts of cash managed by the Commonwealth Government. On a cash accounting basis, total revenue and expenditure for 1993-94 was budgeted to be \$99 billion and \$115 billion, respectively,
- the substantial potential savings for the Commonwealth through improved cash management practices. When short term borrowings are made, the Commonwealth incurs an interest expense - this expense is known as the public debt interest (or PDI). The Commonwealth's interest revenue and interest expenditure were budgeted in 1993-94 to be \$2.058 billion and \$6.65 billion, respectively; and
- the links between the subject of cash management and those of several other current and recent JCPA inquiries; viz. those into the Australian Government Credit Card, the new financial management and accountability legislation, commercialisation in the public sector, accrual reporting and accounting, and specific purpose payments to the States and Territories

The Committee was also aware that a number of key issues were unresolved at the time the audit reports were published.

By 30 June 1995, the Committee had received 7 written submissions, held a public hearing with evidence being taken

from four Commonwealth departments, and had received a private briefing from the Auditor-General.

One of the main concerns to the Committee has been the number of serious cash management issues which remain unresolved, despite having been the subject of review for some years. The Committee proposes to table its findings in November 1995.

Inquiries into Fiscal Responsibility Legislation and the Implementation of Whole of Government Reporting for the Commonwealth

On 31 May 1995, the Committee initiated two new inquiries into fiscal responsibility legislation and whole of government reporting for the Commonwealth.

In relation to *fiscal responsibility legislation*, the Committee is to examine and report on whether it is necessary or appropriate to legislate for fiscal responsibility at the Commonwealth level, with particular reference to:

- the success of attempts to legislate for fiscal responsibility in other jurisdictions; and
- the relevance to the Commonwealth of the type of public reporting provisions contained in fiscal responsibility legislation in other jurisdictions.

In relation to *whole of government reporting* for the Commonwealth, the Committee will examine and report on implementation of such reporting, with particular reference to:

- the timetable for the implementation of whole of government reporting for the Commonwealth; and

- the information which should be contained in whole of government reports for the Commonwealth.

The Committee plans to take evidence on these inquiries and table a report before the end of 1995 parliamentary sittings.

Auditor-General's Reports

In addition to preparing and tabling *Report 337*, the Committee began work on its review of the 44 reports produced by the Auditor-General in the period 1993-94, and the 31 reports tabled in 1994-95.

Broadly the Committee's aim when reviewing reports of the Auditor-General is to assess whether the audited agencies have responded appropriately to the Auditor-General's recommendations. The Committee's review procedures have been described in greater detail in *Report 334, Annual Report of Activities 1993-94*.

Review of the Annual Report Requirements for Departments

As already mentioned, the Committee is responsible for approving annual report requirements for Commonwealth departments. 1994-95, marks the first year in which annual reports are required to be tabled no later than 31 October 1995. In addition, much of the administrative detail formerly contained in annual reports will now be held by departments and be available on request, rather than being published in reports.

During the year, the Department of Prime Minister & Cabinet began a review of these revised annual reporting processes. The Committee has been

providing an input into this review and expects to have a greater involvement during the 1995-96 financial year. Of particular interest to the Committee is the increasing emphasis on performance reporting and on ensuring that guidelines for the preparation of Portfolio Budget Statements are consistent with annual report requirements.

Watching Brief over the Tax Law Improvement Project

In November 1993 the Committee tabled in Parliament its *Report 326, An Assessment of Tax*. One of the main recommendations in *Report 326* was that the Government establish a broadly based task force to redraft the *Income Tax Assessment Act 1936*. In response to this recommendation the Government established the Tax Law Improvement Project (TLIP).

Since the tabling of *Report 326*, the Committee has maintained an active interest in the implementation of the report's recommendations and in TLIP. The Chairman has given numerous addresses on the subject, and the Committee has received periodic briefings from the Tax Commissioner and TLIP officers.

In February 1995 the Committee announced that it would keep a watching brief on TLIP. The watching brief was initially motivated by concerns that the TLIP does not have a wide enough mandate to fully address the intention behind the Committee's recommendation that tax law be simplified.

The Committee anticipates taking a more active interest in TLIP in 1995-96.

Consideration of the Accountability Arrangements for Joint Commonwealth and State Inter-governmental Bodies

The Committee has become concerned that there is a potential for Commonwealth-State inter-governmental bodies to escape parliamentary scrutiny by Commonwealth and/or State parliaments, particularly where no one government has a controlling interest in the agency, or ultimate responsibility for its operations.

The Committee's concern arose out of the proposed corporatisation of the Snowy Mountains Hydro-Electric Authority where a risk exists that neither the Commonwealth, New South Wales or Victorian Public Accounts Committees will have oversight of the Authority's successor. This case led the Committee to consider the broader issue of the appropriateness of arrangements for parliamentary scrutiny of all Commonwealth-State inter-governmental agencies.

The Committee is currently pursuing the matter with state public accounts committees and Commonwealth departments that represent the Commonwealth's interests in inter-governmental bodies.

4. DELEGATION TO NEW ZEALAND

Introduction

Between 28 November 1994 and 1 December 1994 inclusive, a delegation of members from the JCPA visited New Zealand as part of the committee exchange program established by the Australian and New Zealand parliaments. A list of Committee members who went on the delegation can be found at Appendix 1.

The centrepiece of the visit was a meeting between the delegation and the New Zealand Parliament's Finance and Expenditure Committee, which took place on 29 November.

Meeting with the Finance and Public Expenditure Committee

The meeting was conducted in accordance with procedures determined by the host committee and chaired by the Chairman of the Finance and Expenditure Committee. The leader of the delegation and chairman of the JCPA, Les Scott MP, was accorded the status of Deputy Chairman of the meeting.

The first issue discussed was the operation of the committee systems in each parliament. The delegation was impressed by the level of responsibility conferred on parliamentary committees in the New Zealand system. Select committees are charged with reviewing budget forecasts, assessing past year financial performance, considering legislation and examining policy and administrative matters.

Although some of the members of the Finance and Expenditure Committee expressed some reservations about the ability of parliamentary committees to properly fulfil all of these responsibilities, the delegation came away believing that the committee system in New Zealand, with its strong focus on calling the Government to account for its legislative policy and financial performance, has much to commend it.

The meeting also discussed New Zealand's experience of public sector reforms. There does not yet appear to be sufficient evidence on which to base firm conclusions, but the impression given to the delegation by the Finance and Expenditure Committee, was that, on balance, the reform process in New Zealand has been positive.

Information later provided to the delegation by the State Services Commission (the New Zealand equivalent of the Commonwealth's Public Service Commission) asserts that three results of particular significance have been:

- greater transparency in the activities and processes of the State;
- exposure of public sector inefficiencies; and
- a better appreciation of the state of public sector finances through the use of accrual accounting.

The final issue discussed at the meeting was the role of the Auditor-General. Some of the specific issues raised were:

- the extent of parliamentary scrutiny of Auditor-General's reports;
- the Auditor-General's performance audit mandate;
- parliamentary oversight of the Auditor-General and his Office; and
- the process of appointing an Auditor-General.

The delegation was particularly interested in these issues, given that the JCPA had covered them in their Australian context in *Report 331* and given that they remained a topic of debate in the Australian Parliament.

The delegation noted the increasingly important role being played by the New Zealand Parliament in the process of appointing the New Zealand Auditor-General. The delegation observed that the JCPA had made a series of recommendations, in *Report 331*, designed to establish an equally prominent role for the Australian Parliament in the appointment of the Australian Auditor-General.

The delegation was also interested in the operation of the New Zealand Parliament's Officers of Parliament Committee, particularly as its functions are broadly similar to those proposed by the JCPA for an audit committee in the Australian Parliament.

Other Meetings

As well as meeting the Finance and Expenditure Committee, the delegation met with a number of other individuals and organisations. They included the Speaker of the New Zealand Parliament, the Hon Peter Tapsell MP, the New Zealand Minister for Finance, the Hon Bill Birch MP, the acting Auditor-General of New Zealand, Wayne Cameron, various government officials, representatives from a number of government business and from the Public Service Association, the main public sector trade union in New Zealand.

The purpose of these additional meetings was to gain a New Zealand perspective on some of the issues facing the JCPA in its inquiries in Australia.

Commercialisation

The delegation met with officials from the New Zealand Treasury, the Crown Companies Monitoring Unit (an independent branch within the Treasury portfolio) and from a number of state owned enterprises. The Committee held discussions with senior staff from the following state owned enterprises: Airways Corporation of New Zealand; Electricity Corporation of New Zealand (ECNZ); Works and Development Service Corporation (WORKS); and Meteorological Service of New Zealand (MetService) to discuss the New Zealand experience of commercialising and privatising government operations and state owned enterprises.

Information on the New Zealand approach to commercialisation was particularly relevant, given that the JCPA was developing recommendations for its inquiry into commercialisation in the Commonwealth public sector.

The delegation observed that New Zealand's public sector has gone through a period of rapid and quite radical change. The core public sector in New Zealand is characterised by relatively small departments with sharply defined policy advice, service delivery, regulatory and sectional funding functions. The core public sector has come to represent those activities which cannot or should not be corporatised or purchased from other providers, in either the public or private sectors.

The Finance and Expenditure Committee were confident in their belief that the reforms have reinvigorated the performance and accountability of New Zealand's public sector. However, the comment was made that the economy wide reform processes had caused significant social dislocation, with large scale redundancies and retraining.

Financial Reporting and Fiscal Responsibility

The delegation was also keen to gain an insight into the New Zealand experience of introducing accrual accounting and whole of government reporting. This interest sprang out of the JCPA's inquiry into accrual reporting in Commonwealth agencies.

The parliamentarians and public officials with whom the Committee met spoke enthusiastically about the integrated financial management and reporting systems which are a key element of the new public sector in New Zealand. All new Zealand public sector agencies operate accrual accounting systems, receive accrual based annual appropriations, and contribute to the preparation of accrual based whole of government accounts.

The New Zealand Minister for Finance, Bill Birch, described to the Committee the operation of the *Fiscal Responsibility Act 1994*, which requires governments to observe five principles of fiscal responsibility in drawing up budgets; imposes frequent public reporting requirements; and establishes a regime for parliamentary scrutiny of those reports.

The information gained in these various discussions has been relevant to much of the Committee's work over the last eight months

The Role of the Auditor-General

The delegation met the Acting Auditor-General to discuss his role and mandate, and the operation of the New Zealand Audit Office.

The delegation was interested to learn that:

- Audit New Zealand operates in a highly commercial manner and competes with private auditing and accounting firms for contracts let by the Auditor-General;

- the Auditor-General produces very few performance audit reports each year, in 1993-94 four general and five single topic performance audit reports were tabled;
- the Auditor-General does not have the mandate to audit performance audits in state owned enterprises; and
- the Auditor-General's enabling legislation was shortly to be amended to allow access to the records of private firms performing work for public sector agencies - for example, defence contractors.

Other Issues

The delegation also held meetings with:

- the Secretary of the Ministry of Defence and his staff, to discuss the ANZAC Ships Project;
- the Secretary of the Ministry of Transport and her staff, to discuss the structure of New Zealand's aviation industry;
- the Chief Executive Officer of the New Zealand Electoral Commission, to discuss the operations and implications of New Zealand's mixed member proportions electoral system; and
- the President of the New Zealand Public Service Association, to discuss the process of public sector reform.

Conclusion

In conclusion, the delegation found its visit to New Zealand particularly valuable. Primarily, the visit provided the delegation with an overseas perspective on some of the common issues facing the JCPA and its New Zealand equivalent, the Finance and Public Expenditure Committee. The delegation also benefited considerably from New Zealand advice on some of the issues being addressed in existing JCPA inquiries.



Les Scott MP
Chairman

18 October 1995

APPENDIX I - COMMITTEE MEETINGS AND HEARINGS

General Business of the Full Committee

Private Meetings in 1994-95: 21

Review of Financial Management and Accountability Bill 1994, the Commonwealth Authorities and Companies Bill 1994, and the Auditor-General 1994 and a proposal to establish an audit committee of Parliament,

Membership

Full committee

Public Hearings in 1994-95: 6
Private Meetings in 1994-95: 8

Sectional Committee on the appropriateness of fiscal responsibility legislation for the Commonwealth and the implementation of whole of government reporting by the Commonwealth.

Membership

Mr Scott, MP (Chairman)
Mr Somlyay, MP (Vice-Chairman)
Hon Mr Brown, MP
Senator Forshaw
Senator Gibson
Mr Haviland, MP
Senator Neal
Mr Taylor, MP
Mr Vaile, MP

Public Hearings in 1994-95: 0
Private Meetings in 1994-95: 1

Sectional Committee on Commercialisation in the Public Sector

Membership

Mr Scott, MP (Chairman)
Mr Somlyay, MP (Vice-Chairman)
Mr Fitzgibbon MP
Senator Gibson
Mr Griffin MP
Mr Vaile, MP

Public Hearings in 1994-95: 5
Private Meetings in 1994-95: 14

Sectional Committee on Commonwealth-State Agreements for Specific Purpose Payments

Membership

Mr Scott, MP (Chairman)
Mr Somlyay, MP (Vice-Chairman)
Hon Mr Brown, MP
Mrs Easson MP
Mr Fitzgibbon MP
Senator Forshaw
Senator Gibson
Mr Haviland, MP
Senator Neal
Mr Vaile, MP

Public Hearings in 1994-95: 9
Private Meetings in 1994-95: 9

Sectional Committee on Auditor-General's Reports (also responsible for inquiries into accrual reporting by Commonwealth agencies & cash management in Commonwealth departments)

Membership

Mr Scott, MP (Chairman)
Mr Somlyay, MP (Vice-Chairman)
Mr Fitzgibbon MP
Senator Gibson
Mr Griffin, MP
Mr Haviland, MP
Mr Taylor MP
Mr Vaile, MP

Public Hearings in 1994-95: 7
Private Meetings in 1994-95: 21

Delegation to New Zealand

Membership

Mr Scott, MP (Leader)
Mr Somlyay, MP (Deputy-Leader)
Hon Mr Brown, MP
Senator Forshaw
Senator Gibson
Senator Neal
Mr Taylor MP

Details of meetings held by the delegation are included in Chapter 4.

Other Full Committee Activities

The full Committee was briefed on the operations of the Asset Sales Taskforce at a public hearing in August 1994.

APPENDIX II - COMMITTEE PUBLICATIONS

Historic Reports

The Commonwealth Parliament first appointed a joint committee of public accounts in December 1913, pursuant to the *Committee of Public Accounts Act 1913*. Committees were appointed under this Act until 1931 when the Committee was disbanded as an economy measure. In the period 1913 to 1931 joint committees of public accounts produced 53 reports.

The current Public Accounts Committee Act received Royal Assent in December 1951. Since then joint committees of public accounts have produced 337 reports.

A complete list of reports tabled by committees appointed under both the 1913 and the 1951 Acts can be obtained from the Committee secretariat at the following address:

The Secretary
Joint Committee of Public Accounts
Parliament House
CANBERRA ACT 2600

Telephone (06) 277 4615
Facsimile (06) 277 2220

Getting Copies of Committee Reports

Recent Committee reports are available from Commonwealth Government Bookshops in each capital city.

Copies of most of the earlier Committee reports are available from the Committee secretariat at the above address.

Submissions and Transcripts

Copies of the public submissions made to Committee inquiries, and the transcripts of evidence taken at public hearings, are available for inspection at the National Library of Australia, the Commonwealth Parliamentary Library and the House of Representatives Committee Office. A limited number of copies are also available on request from the Committee secretariat.

Public Information Documents

The Committee secretariat also has available a range of public information documents describing how the Committee operates, its current activities and how to make submissions to any of the Committee inquiries.

The documents which are currently available include:

- *Duties of the Committee;*
- *The Joint Committee of Public Accounts: Some Background Information;*
- *Sectional Committee for the Review of Auditor-General's Reports: Membership;*
- *Reviewing Reports of the Auditor-General;*
- *Sectional Committee for the Inquiry into the Administration of Commonwealth-State Agreements for Specific Purpose Payments: Membership;*

- *Sectional Committee for the Inquiry into the Administration of Commonwealth-State Agreements for Specific Purpose Payments: Terms of Reference;*
- *Sectional Committee for the Financial Reporting Inquiries: Membership;*
- *Sectional Committee for the Financial Reporting Inquiries: Terms of Reference;*
- *Two Financial Reporting Inquiries: An Introductory Issues Paper;*
- *Procedures for the Protection of Witnesses;*
- *Notes on Making a Submission;*
- *Notes for Witnesses at Hearings;*
- *The Broadcasting of Committee Proceedings; and*
- *Observers for Committee Inquiries.*

APPENDIX III - COMMITTEE EXPENSES

Although the Committee is a statutory body, it does not receive a separate appropriation.

The Committee is funded from the appropriation made to the Department of the House of representatives. The Committee's annual budget is a component of sub-program 3.2 (Committee Support) in the Department of the House of Representatives.

The Committee's administrative expenses for 1994-95 were \$94 019. This included expenditure on: advertising; catering; consultants; conference fees for committee members and staff; publishing; travel and accommodation costs for staff; and miscellaneous expenditure

In addition, the secretariat's salaries expenditure for 1994-95 amounted to \$349 776

The Chairman of the Committee received an allowance of \$12 005 in recognition of the responsibilities of the position. The amount of the allowance is set by the Remuneration Tribunal and paid by the Department of the House of Representatives pursuant to the *Remuneration and Allowances Act 1990*.

APPENDIX IV - SPEECHES

During 1994-95 the following speeches were given by members and staff of the Joint of Public Accounts:

Les Scott, MP, *Public Accounts Committee Inquiry into the Australian Taxation office*, An address to the Corporate Tax Association, 22 July 1994;

Grant Harrison, *Role and Operation of the Joint Committee of Public Accounts*, An address to visiting Public Servants from Thailand, 6 October 1994;

Les Scott, MP, *A Parliamentary Perspective on a Year of Significant change for the Commonwealth Public Sector*, An address to an Institute of Public Administration Australia seminar on 'State of the Service', 18 October 1994;

Les Scott, MP, *Commonwealth Financial Management Legislation*, An address to an Institute of Public Administration Australia seminar on 'Commonwealth Financial Management Legislation - A Guide', 19 October 1994;

Grant Harrison, *Role and Operation of the Joint Committee of Public Accounts*, An address to staff of the Australian National Audit Office, 17 November 1994;

Chris Haviland, MP, An address to an AIC Conference on *Strategically Managing for Best Practice in the Australian Public Service*, 30 November 1994;

Les Scott, MP, *Accountability and the Parliament*, An address to the International Convention of Accountants in Government, 14 March 1995;

Grant Harrison, *Role and Operation of the Joint Committee of Public Accounts*, An address to the Auditor-General of Taiwan, 16 March 1995;

Grant Harrison, *Role and Operation of the Joint Committee of Public Accounts*, An address to staff of the Australian National Audit Office, 30 March 1995;

Les Scott, MP, *Legislatures and Performance Auditing*, An address to the OECD's Public Management Service Symposium on Performance Auditing and Performance Improvement in Government', Paris 6-7 June 1995; and

Les Scott, MP, *A Parliamentary Perspective*, An address to an AIC Conference on 'Financial Management and Budget in the Public Sector', 13 June 1995.

APPENDIX V - MEDIA RELEASES

During 1994-95, the Chairman, on behalf of the Committee, issued 36 press releases. The title and date of issue for each release are listed below.

Review of New Financial Management and Audit Legislation - public hearings (6 July 1994)

Public Hearing on the Australian Government Credit Card (5 July 1994)

Public Hearing with the Federal Airports Corporation (5 July 1994)

PAC Chairman speaks to Corporate Tax Association (21 July 1994)

Review of New Financial Management and Audit Legislation - public hearing (25 July 1994)

Public Hearings on the Civil Aviation Authority and the Federal Airports Corporation (25 July 1994)

Review of the New Financial Management and Audit Legislation - public hearing (5 August 1994)

Public Accounts Committee comments on government response to Tax Report (9 August 1994)

Review of New Financial Management and Audit Legislation - public hearing (16 August 1994)

Public Hearings on the public interest and community service obligations in Government Business Enterprises (17 August 1994)

Public Hearing on the Sale of Commonwealth Assets (26 August 1994)

Public Accounts Committee Report on the New Financial Management and Audit Legislation (22 September 1994)

Public Accounts Committee Report on the Australian Government Credit Card (22 September 1994)

Public Accounts Committee Report on the Audit Report into Sale of Ausstat (11 October 1994)

Inquiry into the commercialisation of public sector operations - public hearing (14 October 1994)

Public Accounts Committee's Tax Report Part Two of the Government's Response (19 October 1994)

Inquiry into the administration of Commonwealth-state agreements for Specific Purpose Payments - public hearing (12 December 1994)

Inquiry into the administration of Commonwealth-state agreements for Specific Purpose Payments - public hearing (20 January 1995)

Public Accounts Committee review of the Tax Law Improvement Project (9 February 1995)

Public hearing on Accrual Reporting in Commonwealth agencies (10 February 1995)

Inquiry into the administration of Commonwealth-state agreements for Specific Purpose Payments - public hearing (17 February 1995)

Inquiry into the administration of Commonwealth-state agreements for Specific Purpose Payments - public hearing (27 February 1995)

Chairman of Joint Committee of Public Accounts addresses International Convention of Accountants (14 March 1995)

Public Hearing on the Government's Monitoring Arrangements for Government Businesses (22 March 1995)

Inquiry into the administration of Commonwealth-state agreements for Specific Purpose Payments - public hearing (3 April 1995)

Public Hearing on Accrual Reporting in Commonwealth agencies (6 April 1995)

Inquiry into the administration of Commonwealth-state agreements for Specific Purpose Payments - public hearing (10 April 1995)

Public Hearing on Accrual Reporting in Commonwealth agencies (11 April 1995)

Parliament and the Auditor-General Bill Legislating for Improved Accountability (18 April 1995)

Inquiry in the administration of Commonwealth-state agreements for Specific Purpose Payments - public hearing (20 April 1995)

Public Accounts Committee Report on Commercialisation: Public Business in the Public Interest (11 May 1995)

Public Hearing on Accrual Reporting in Commonwealth agencies - public hearing (19 May 1995)

International Conference on Legislatures and Performance Auditing: Address by Les Scott, MP Chairman, Joint Committee of Public Accounts (6 June 1995)

Inquiry into the administration of Commonwealth-state agreements for Specific Purpose Payments - public hearing (13 June 1995)

Public Hearing on Cash Management in Commonwealth Government Departments (14 June 1995)

Public Accounts Committee Report: A Focus on Accountability; Review of Auditor-General's Reports, 1992-93 (29 June 1995)

APPENDIX VI - COMMITTEE STAFF

Secretariat

The Joint Committee of Public Accounts is supported by a full time secretariat, staff of which are employed by the Department of the House of Representatives.

During 1994-95 the secretariat comprised:

Grant Harrison
(Committee Secretary)

Dr John Carter
(Senior Research Officer)

James Catchpole
(Senior Research Officer)

Dr Sarah Hnatiuk
(Senior Research Officer, until April 1995)

Cliff Lawson
(Research Officer)

Donna Christophers
(Research Officer)

Laraine Brennan
(Office Manager)

Laura Gillies
(Administrative Officer)

Lorraine Hendy
(Administrative Officer)

Debbie Knox-Niven
(Administrative Officer, from February to May 1995)

Yolanda Rao
(Administrative Officer)

Secondments

The Secretariat's staffing resources were supplemented in 1994-95 by the following secondments:

Ross Allen (Department of Defence) to July 1994

Margaret Rahman (ANAO) from January to June 1995

Gillian Body (UK Audit Office via the ANAO) from May 1995

Wayne Harrison (Department of Administrative Services) from May 1995.

Mr Allen and Mr Harrison were participants in the Commonwealth Government's Executive Development Scheme.

Observers

Since the early 1950s, the Joint Committee of Public Accounts has been assisted in its work by observers from the Australian National Audit Office and the Department of Finance.

The role of an observer is to assist the Committee in its work by providing background information and comment relevant to the subject being considered.

During 1994-95 the following officials have acted as observers to the Committee's inquiries:

Observers for the Commercialisation Inquiry

Russell Coleman (ANAO)
Kevin Mitchell (ANAO)
Tim Loughnan (ANAO)
Dianne Rimington (ANAO)
Max Fitton (ANAO)

Roger Fisher (Finance)
Maria Messner (Finance)

Observers for the Review of the New Financial Management and Audit Legislation

Edward Hay (ANAO)

George Carter (Finance)
Noel Levings (Finance)

Observers for the Accrual Reporting by Commonwealth Agencies Inquiry

Malisa Golightly (ANAO)

George Carter (Finance)

Observers for the Cash Management in Commonwealth Departments Inquiry

Alan Chapman (ANAO)

David Knapp (Finance)

Observers for the Commonwealth-State Agreements Inquiry

Kathryn Dahlenburg (ANAO)
Margaret Rahman (ANAO)

Grant Jones (Finance)
Derek Russell (Finance)

Observers for the Fiscal Responsibility and Whole of Government Reporting Inquiries

Lynne O'Brien (ANAO)

George Carter (Finance)

Consultants

During 1994-95 the Committee engaged Peter Dodd, director with the merchant bank Fay Richwhite, at a cost of \$30 000 to provide advice and assistance in relation to financial issues arising from the inquiry into the commercialisation of public sector operations.