



1971

PARLIAMENT OF TASMANIA

**PARLIAMENTARY STANDING  
COMMITTEE OF PUBLIC ACCOUNTS**

**GENERAL REPORT FOR YEAR 1970-71**

*Laid upon the Tables of both Houses of Parliament on 16 September 1971*

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# PARLIAMENTARY STANDING COMMITTEE OF PUBLIC ACCOUNTS

## GENERAL REPORT FOR YEAR 1970-71

The Committee was appointed under the provisions of Section 2 of the Public Accounts Committee Act 1970.

### MEMBERS OF THE COMMITTEE

#### LEGISLATIVE COUNCIL

Mr Fenton  
Mr Gregory  
Mr McKay

#### HOUSE OF ASSEMBLY

Mr Costello (Chairman)  
Mr Barrenger  
Mr Braid

The Act was assented to on 15 December 1970 and members were appointed at the opening of the third session of the thirty-fifth Parliament, on 3 March 1971. There are three members from each House and they hold office as a joint committee for the duration of the Parliament. The Act provides that the Committee 'has all the power and authority of a Select Committee of the House of Assembly' for the purpose of summoning witnesses to give evidence and to produce documents.

The functions of the Committee are set out in Section 6:—

(1) It is the function of the Committee to examine—

- (a) the accounts showing the appropriation of the sums granted by Parliament to meet the public expenditure; and
- (b) such other accounts laid before Parliament as the Committee may think fit.

and to report to both Houses of Parliament, with such comment as it thinks fit, on any matter arising in connection with those accounts or in connection with the receipt or disbursement of the moneys to which they relate to which it is of opinion the attention of Parliament should be drawn.

(2) Where either House of Parliament refers to the Committee for examination any matter arising in connection with the accounts referred to in paragraph (2) of subsection (1), of this section, or any other accounts laid before Parliament, or in connection with the receipt or disbursement of the moneys to which any of those accounts relate, the Committee shall, as soon as practicable, carry out that examination, and report thereon to both Houses of Parliament, with such comment as it thinks fit.

From 1961 to 1970, a standing committee of the House of Assembly, consisting of seven members, operated under Standing Order No. 386, with similar functions.

This Committee will continue to use the Auditor-General's Reports as a basis for most enquiries and in addition will examine such other matters as come to our notice or are referred by either House.

In the period 3 March to 30 June 1971, the Committee met on 16 days. A report was presented on Stores Control in the Hydro-Electric Commission and the Education Department (Paper No. 26 of 1971) which pointed out the need to provide training and promotion incentives in order to improve recording in the Commission's stores, and improved working conditions for the Teaching Aids Centre sub-store, Brisbane Street, Hobart.

### Outstanding Hospital Fees

An enquiry was commenced on outstanding public hospital fees and a report will be presented shortly.

The Auditor-General's 1970 Report (Paper No. 38) sets out the amounts of fees outstanding at 30 June (page 220). A total of \$1,719,947 was outstanding at that date, including \$399,163 outstanding for 12 months or more.

### Motor Vehicles

The Committee have examined the report by the previous Committee (Paper No. 15 of 1970) on motor-vehicles. Because of the high cost of travel to the state and the very definite conclusions which were reached in that enquiry, it was decided to see what action had been taken on the report.

One of the recommendations was that 'co-ordination of transport arrangements for officers on common trips should occur at a central point'. In support of this recommendation the Committee pointed out that on 17 March 1970, seventeen employees had made the trip from Hobart to Launceston in twelve vehicles.

This Committee called for a return of travel by State employees in the period 21 to 25 June 1971 between any two of the following centres:—Hobart, Launceston, Devonport and Burnie.

By comparison with the position in March 1970, the return shows that on Monday, 21 June 1971 sixteen State employees made the trip direct from Hobart to Launceston. Fifteen of these travelled in eleven cars and one by bus. The departure times of the cars were as follows: 6.00 a.m., 6.00 a.m., 7.30 a.m., 8.00 a.m., 8.30 a.m., 8.30 a.m., 9.00 a.m., 9.00 a.m., 9.00 a.m., 9.00 a.m., 10.00 a.m.

Of the four cars which left at 9.00 a.m., two contained two persons each and the others only the driver in each case. This enquiry is still in progress.

### **Budget Results 1969-70**

The Committee selected a number of items in the Consolidated Revenue Fund Appropriation Act 1969-70 which were significantly under or over spent. Written explanations were called for and in most cases these were acceptable to the Committee.

*Department of Social Welfare: Item A2—Fees and Expenses for Officers in Training \$2,200 (Expenditure \$1,488: Variation —\$712).*

The item was underspent because an account for fees and other expenses for post-graduate training in social work for two male officers at the Flinders University, South Australia was not received in time to be paid during 1969-70. The Department had sent several reminders to the University.

*Tourist and Immigration Department: Item B5—Running Expenses of Motor Vehicles \$1,350 (Expenditure \$811: Variation —\$539).*

Provision was made for running an additional car for the Tourism Development Authority, which was not however established until January, so that the funds were not required.

*Tourist and Immigration Department: Item C8—Purchase of Motor Vehicles \$4,200 (Expenditure \$2,040: Variation —\$2,160).*

As mentioned in connection with the preceding item, the additional car for the Tourism Development Authority was not required, and this accounts for the under-expenditure. The Department replaced a vehicle which had exceeded 40,000 miles. It was pointed out to the Director that 25,000 is considered a more economic mileage for replacement of State-owned vehicles. A previous Public Accounts Committee had evidence to the effect that the replacement cost in 1970 for a Police car after 25,000 miles was about \$140.

*Premier's and Chief Secretary's Department: Item C7—Expenses of Royal Visit \$15,000 (Expenditure \$34,203: Variation +\$19,203).*

The Under Secretary advised that \$15,000 was estimated as a token amount only, because detailed planning had not at that stage been carried out.

This is an acceptable explanation of the under-estimation. However there are some aspects of the actual expenditure which are being pursued. The Committee will not be in a position to report finally on these aspects until information requested by the chairman on 5 May 1971 is forthcoming.

*Education Department: Item B6—Miscellaneous \$7,500 (Expenditure \$11,964: Variation +\$4,464).*

Of the excess \$4,289 was attributed to workers' compensation payments, which could not have been foreseen.

*Education Department: Item C13—Purchase of Motor Vehicles \$11,200 (Expenditure \$8,644: Variation —\$2,556).*

Five vehicles were purchased, three of them at lower prices than anticipated and the remaining two as replacements for traded-in vehicles.

*Treasury: Item B16—Travelling Expenses \$2,300 (Expenditure \$3,766: Variation +\$1,466).*

The excess was mainly attributed to conferences to discuss the High Court decision on the States' receipt duty legislation and the proposed Commonwealth validating legislation. The need for this travel could not have been foreseen when the estimate was made.

*Treasury: Item B17—Office Machines and Equipment \$7,000 (Expenditure \$1,410: Variation —\$5,590).*

The sum of \$6,000 was provided for the purchase of a cash register for collection of stamp duty on receipts. The machine did not arrive (from U.S.A.) during the year. The actual cost was \$7,085, but \$2,417 was allowed for an accessory which was returned. The net cost was therefore \$4,668. Since the stamp duty on receipts had been suspended, the machine was sent to the Supply and Tender Department for disposal. The Committee was later advised that the suitability of the machine for use in connection with a proposal to computerise some aspects of Land Tax was being examined. Consequently, the disposal instruction was withdrawn.

*Treasury: Item B18—Valuation and Inspection Fees and Legal Expenses \$750 (Expenditure \$210: Variation —\$540).*

Provision was made for legal costs in connection with a particular case. However the appeal was withdrawn, so that no costs were incurred.

*Attorney-General's Department: Item C4—State Licensing Court Incidental Expenses \$10,000 (Expenditure \$20,550: Variation +\$10,550).*

The excess represents the salaries of police officers for the time they were engaged in inspections for the Licensing Court.

Formerly these salaries were met by the Police Department. The change was made during the year and was therefore not provided for.

*Mental Health Services Commission: Item C5—Purchase of Motor Vehicles \$9,500 (Expenditure \$3,221: Variation —\$6,279).*

Provision was made for the purchase of one sedan, one 17-seater passenger bus and one food van. Since trade-in allowances were less than anticipated it was necessary to defer purchase of the car. The van and the bus were ordered, but the bus was not available for purchase until after the end of the financial year. The expenditure of \$3,221 represents the cost of the food van.

*Mental Health Services Commission: Item A4—Scholarships and Bursaries \$2,500 (Expenditure \$583: Variation —\$1,917).*

The \$583 represents payment on a two-year scholarship which was completed during the year. The remainder of the estimate was provided for occupational therapy and psychiatric nursing scholarships. There were no suitable applicants.

*Solicitor-General's Department: Item B1—Office Requisites \$2,100 (Expenditure \$3,230: Variation +\$1,130).*

The Solicitor-General attributed the excess to a 'considerable increase in the overall amount of work coming into the Department'. Of the increase \$650 resulted from an error in the estimate of the cost of a Xerox copying machine installed in September 1969.

*Department of Health Services: Item C2—Administration of Public Health and other Acts \$25,500 (Expenditure \$13,344: Variation —\$12,156).*

Administration of the Nurses' Registration Act cost \$6,800 (provision \$8,000). The saving was made by using automatic data processing. Pesticides and air pollution cost \$2,400 (provision \$6,500). Due to delays, expenditure by the Pesticides Committee was much less than expected. Notification of infectious diseases cost \$400 (provision \$1,000). The number of notifications was lower than usual. Payment to the Commonwealth for the services of a part-time physicist cost \$100 (provision \$2,500). Iodine metabolism investigations cost \$200 (provision \$1,800). All other Acts, hospitals, flouridation, poisons, etc. cost \$3,444 (provision \$5,700). The Department stated that expenditure was less than expected and pointed out that there were delays as some of the provision was for new undertakings.

*Department of Health Services: Item C7—Flouridation of Water Supplies \$70,000 (Expenditure \$28,505: Variation —\$41,495).*

Provision was made for the commencement and capital expenditure on some new installations but due to delays and technical difficulties expenditure was only incurred to maintain existing schemes.

*Public Service Commissioner's Department: Item B2—Postal Charges and Telephones \$885 (Expenditure \$1,146: Variation +\$261).*

Telephone charges at the St John Street Public Buildings, Launceston, which had previously been shared by several Departments, became a charge against the Public Service Commissioner's Department.

*Public Service Commissioner's Department: Item C1—Fees and Expenses for approved Study Courses and Expenses of In-Service Training \$8,500 (Expenditure \$5,440: Variation —\$3,060).*

During 1966-70 a revised approach was adopted towards study courses: . . . with noticeable emphasis being placed on more appropriate practical and less expensive courses largely available through the Technical Colleges, and ultimately destined to be incorporated into the study programmes of the College of Advanced Education. As a result, an estimated saving of approximately \$800 was effected without adversely restricting the opportunities for suitable officers to avail themselves of tertiary studies.

A sum of \$2,200 was provided for a senior officer to attend the Australian Administrative Staff College at Mt Eliza, Victoria. However no course was held during the year.

*Public Service Commissioner's Department: Item C4—Expenses in connection with Automatic Data Processing \$17,500 (Expenditure \$13,140: Variation —\$4,360).*

A total of \$3,000 was saved because the computer changed from one-shift to two-shift operation as from 15 September 1969. (The hourly costs are \$68 and \$46 respectively.) The remainder of the saving (\$1,360) was attributed to an alteration in programmer training. Practical work was carried out in Hobart, where formerly the whole course had been held in Canberra.

*Public Service Commissioner's Department: Item C5—Overseas Recruitment: Payment of Agency Fees \$1,600 (Expenditure Nil: Variation —\$1,600).*

Two agencies in the United Kingdom are used to recruit geologists. None were recruited and therefore there was no payment.

The Committee found it necessary to call evidence from the Departments concerned in respect of five other items.

*Department of Film Production: Item B5—Miscellaneous \$1,000 (Expenditure \$1,823: Variation +\$823).*

Expenditure was \$71.50 for miscellaneous expenses and \$1,751.83 for sales tax, paid to the Deputy Commissioner of Taxation, and recovered from clients. On Treasury advice, sales tax began to be met from the Item in 1961-62, and a matter of \$200 or \$300 only was required each year. However in 1968-69 there was a sudden jump and \$1,157 was spent compared with \$296 in the previous year. In evidence the Committee was told that the item should be reduced appreciably in the future because of relaxation by the Commonwealth of sales tax on the production of Australian films. However it does seem that the Tax should have been met from a special item, if not from the start, certainly in 1969-70, when over \$1,000 had been spent in the preceding year. The Committee feel that in this case the wording of the item did not adequately describe the purpose for which funds were intended to be spent.

*Supreme Court: Item B4—Travelling and other Expenses \$10,700 (Expenditure \$17,979: Variation +\$7,279).*

The Department's first written explanation attributed the excess to five factors. Numbers one to three concerned travel by Registry staff. Factor number four dealt with 'more prolonged' court sittings throughout the State and resultant additional travelling by Judges and their staff. Finally, number five began 'Another factor which may be reflected in this year's figures is some additional travelling by Mr Justice Crawford who resides in Launceston . . .'. In this explanation no attempt was made to show what portion of the excess was caused by each factor, so that the Committee asked for a further written explanation to clarify the matter.

In response to this request a letter was received from the Master and Registrar of the Supreme Court which closes with the following—

The excess amount of \$7,278.56 was probably made up in substantially the following way:—

|   |         |
|---|---------|
|   | \$      |
| One judge and staff on circuit at Burnie for an extra 10 weeks at \$250 . . . . .             | 2,500   |
| Mr Justice Crawford and his staff to Hobart for an additional 10 weeks over 1968-69 . . . . . | 2,250   |
| Another judge and his staff to Launceston for an extra 10 weeks over 1968-69                  | 2,250   |
| Registrar's conference in New Zealand . . . . .   | 250     |
|   | —       |
| TOTAL . . . . .   | \$7,250 |
|   | —       |

In view of the difference between the two explanations, the Committee decided to call for evidence. Following the meeting at which evidence was heard, the Committee were supplied with copies of the explanation given when applications were made for additional funds. Two separate applications were made. The first in March 1970 for \$4,500 and the second in May 1970 for \$2,800.

The first application was supported by a note identical to that which was submitted to the Committee twelve months later, which listed the five factors. The Committee feel that this explanation should not have been accepted when the additional funds were sought. It was certainly quite unacceptable to this Committee.

The second application continued to generalise in respect of the expenditure for the full year, but did include detailed estimates for the period 22 April 1970 to 30 June 1970. Evidence was heard from Messrs J. Dale, Acting Master and Registrar, and D. C. Richardson, Accounts Clerk. In his submission, Mr Dale said—

‘ It will be remembered that, in the Master’s letter of 8 April 1971 to the Standing Committee of Public Accounts, he voiced the opinion that the excess amount of \$7,278.56 was *probably* made up in a particular way. He attributed approximately \$7,000 to the judges and their staff. I submit, respectfully, however, that without a detailed breakdown of the figures for that year, this was an understandable estimation of how the excess moneys were spent. In fact, as it will now be seen, the amount attributable to the judges and their staff was approximately \$5,549.00.’

The Committee believe that it would have been reasonable to expect that this detailed breakdown would have been made to enable reasonably accurate figures to be given to the Committee, particularly since this \$7,000 was given in the second explanation which had been requested. It is not suggested that any expenditure from this item was improper, but that Departments should know much more about the reasons when overspending to the extent of 75% occurs.

As to the expenditure itself, some \$14,300 was used for travel by judges and their staff. Included in this was \$7,000 for expenses for judges’ associates and attendants. The Committee were struck by the level of this expenditure and asked why it was considered necessary for staff, as distinct from judges, to travel to this extent. Mr Dale said that—

‘ . . . concerning exchange of staff. I desire to emphasise that the movements of the judges’ staff is a matter solely within the domain of the judges themselves. For example, three of the judges in this State have Associates who are, for all practical purposes, regarded as “articed clerks”. Under the Legal Practitioners Act, articed clerks may serve one of their three years’ articles as associate to a judge of the Supreme Court. At the end of this period, the judge is required to grant a certificate that the services of the associate have been rendered to his satisfaction and, in consequence thereof, his period of service as an associate is to be treated as a period of service under articles. (Section 31 of the Legal Practitioners Act 1959). For this reason alone, it is essential that an associate should carry out his duties directly under the judge to whom he is “articed”. If therefore, a judge goes on circuit, of necessity, he must take with him that associate. The other two associates are not under articles. However, in the case of all associates, there is a personal relationship existing between them and the judges. They are selected by the judge and are required to attend to matters personal to him.

The attendants stand in a similar position to the associates and for this reason are required to travel with the judge.’

*Supply and Tender Department: Item C1—Repairs, Maintenance and Alterations to Buildings \$4,000 (Expenditure \$1,670: Variation —\$2,330).*

The estimate included \$2,600 for interior and exterior painting to the Departmental building at 15 Cas-tray Esplanade, Hobart (\$2,000) and the Central Medical Store at Tower Road, New Town (\$600). The Public Works Department was requested to call tenders on 3 December 1969. Tenders were invited in April 1970, the delay being caused by work required of the District Architect as a result of the Royal Visit. Work was not commenced until June because the contractor had a number of other jobs in progress. In evidence the Manager told the Committee he thought it prudent not to move before the Budget had been completed because this was a new item. The work was paid for during 1970-71. The delays which occurred in the execution of this relatively small work could have been avoided, and procedures should be instituted to avoid similar cases in the future. The Public Works Department should have been in a position to call tenders as soon as funds became available (in October 1969), since the necessary preparation could have been done in anticipation without actually committing any funds.

*Public Works Department: Item C7—Restoration of Stone Work, Historic Government Buildings \$10,000 (Expenditure \$929: Variation —\$9,071).*

This item was provided for repairs and renovations to stone work facing Macquarie Street on the Public Buildings. The \$929 spent was for work carried out in 1968-69, so that none of the work provided for in 1969-70 was paid for during that year. In its explanation the Department made a point of saying that Royal

Assent for the appropriation was given at the end of October 1969. Tenders were called on 17 January 1970 and a contract was let on 13 April 1970. Again, the implication is that no preparation should be made for the commencement of works until after Royal Assent has been given. The tender for the work was accepted on 20 February 1970 but work could not commence until April because the necessary Security Deposit was not forthcoming until then. There was only the one tender and as the Department said, it is difficult to arrange for work of this nature to be carried out. As with the Supply and Tender Department steps should be taken in future to avoid these delays in effecting works approved by Parliament.

*Department of Labour and Industry: Item A3—Fees to Machinery Inspectors \$800 (Expenditure \$52: Variation —\$748).*

The fees are paid to Inspectors of Machinery who carry out overtime surveys on ships on behalf of port authorities (marine boards, Lloyds of London, or the Department of Shipping and Transport). The fees are collected by the Department and paid to the Inspectors. This involved an amount of \$1,250 in 1966-67, and there has been a steady fall since then. (1967-68 \$684, 1968-69 \$492, 1969-70 \$52). The reason for the decline is that Lloyds of London now have inspectors in the south and the north and there are few demands to the Department to carry out inspections for the Navigation and Survey Authority and the Commonwealth Department of Shipping and Transport. The scale of charges is set by the Commonwealth Department of Shipping and Transport.

Evidence was heard from Mr J. L. Berry, Acting Assistant Secretary for Labour and Mr R. E. Potter, Chief Inspector of Machinery, Department of Labour and Industry. The Committee were told in evidence that the Department did not know whether the fees were adequate and hence, since most inspections are carried out in normal working hours, whether in fact the State is subsidising low fees for the Commonwealth. However there are now so few inspections that little expenditure is involved.

Nevertheless the position should in the Committee's opinion, be kept under review.

L. COSTELLO, Chairman.

Ministerial Party Room,  
House of Assembly,  
Hobart, 2 September 1971.