



1991

PARLIAMENT OF TASMANIA

PARLIAMENTARY STANDING COMMITTEE ON PUBLIC ACCOUNTS

ANNUAL REPORT VARIOUS ENQUIRIES 1990-91

Laid upon the Table of both Houses of Parliament

The Committee was appointed under the provision of section 2 of the Public Accounts Committee Act 1970 (No. 54)

MEMBERS OF THE COMMITTEE

LEGISLATIVE COUNCIL

Mr Archer
Mr Fletcher
Mr Stopp

HOUSE OF ASSEMBLY

Mr Robson (Chairman)
Rev. Lance Armstrong
Mr Lennon

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1. CHAIRMAN'S STATEMENT

It is my pleasure to present the annual report of the Public Accounts Committee.

The Committee met on 34 occasions during the year 1 July 1990 to 30 June 1991. The majority of these meetings were at Parliament House, Hobart but on other occasions, Launceston was the venue and the Committee met at Smithton on one occasion.

In May 1991 the Deputy Chairman, Mr Archer, M.L.C., joined me in attending the Biennial Conference of Australian Public Accounts Committees held in Darwin.

Staffing of Committee was one of the many matters discussed and as mentioned later in this report the Committee has proposals and recommendations on the matter before Government.

As a result of the Darwin Conference I am able to announce that agreement has been reached to enable Tasmania to host the 1993 Biennial Conference.

My Committee has maintained good relations with the Auditor-General and his staff and welcome their involvement in our work. The comments on cases of mal-administration or misfeasance are particularly welcome.

The Committee's role is to review and to reinforce in some cases the work of the Auditor-General.

During the year the Parliament referred three matters to the Committee for review. I am encouraged with this recognition of the Public Accounts Committee's role by Parliament.

I wish to commend all the members, for their diligence and expertise in carrying out their duties and take the opportunity to thank our part-time staff for their efforts this year.

N. M. ROBSON, Chairman.

2. INTRODUCTION

The 1990 Report of the Committee (Paper No. 24) detailed the Committee's consideration of the following matters:—

- The ambulance module product.
- Internal auditing.
- Wooden benches purchased for the Longford Primary School.
- Prison officers' absenteeism.
- Possible tax revenue avoidance.
- The Lake St Clair ranger's home.
- Corporate Affairs' late returns.
- and Rationalisation of investment and borrowing by public bodies.

The Committee further reported (Paper No. 74) on the need for staff to be appointed to assist the Committee in its demanding and at times very complex work. This need was also emphasized by the Attorney-General in reports of 1987-88 and 1988-89. This matter is still relevant.

Report No. 74 pointed out that it was the Committee's view that appropriations for the printing of Parliamentary papers could be substantially reduced.

The Committee further argued that if the Parliament chose this course of action and the savings made were applied to the provision of staff for the Public Accounts Committee the real benefits to Parliament would be significant.

The reduction in spending on the printing of Parliamentary papers could be achieved without real detriment.

Since that time and following Legislative Council debate of the Consolidated Fund Appropriation Bill 1990-91 a conference of managers was established to resolve the disagreement that had occurred between the Houses when the Assembly refused Council requests for changes to the Bill.

One of the Council's requests was on line item C844 an appropriation of 20 million for the Redundancy Programme.

The Managers at the Free Conference agreed that the Public Accounts Committee should monitor the Redundancy Programme and the Parliament duly agreed.

The Government acknowledged the need for the Committee to have additional human resources in order to carry out this considerable task and arrange for an audit officer and a member of the redundancy task force to be seconded to the Committee for a period of six months.

The Committee holds the view that significant breakthrough is the platform from which it should again press its request to Government for the financial support necessary to properly carry out its duties under the Act.

The Committee wishes to reinforce its previous message.

If it is the will of Parliament savings can be made on the cost of printing Parliamentary papers and the savings thus made could be appropriated for the cost of providing expert assistance to the Public Accounts Committee. The Committee believes that such an action by the Parliament would enhance the performance of the Committee and thus the Parliament.

The Committee now wishes to report further on matters referred to it during this year.

3. TT LINE SECURITY

The Committee received an anonymous letter alleging that certain criminal practices were rife aboard the MV Abel Tasman. The Committee took the view that whilst it was generally opposed to acting on anonymous advice it should refer the matter to Tasmania Police for further investigation.

WITNESSES

The Committee called the following witnesses:—

Tasmania Police.

Assistant Commissioner D Le Fevre Crime and Operations.

TT Line

Mr W. N. Aplin, Acting General Manager.

Mr G. G. Wood, Personnel and Industrial Manager.

SUMMARY OF EVIDENCE

Evidence presented by Tasmania Police confirmed some of the allegations made in the anonymous letter.

Tasmania Police reported that the operation of the Abel Tasman had been the subject of investigation and further these investigations would be continuing. Tasmania Police reported that lack of resources was limiting opportunities to extend their investigations.

Mr Aplin and Mr Woods gave evidence that the TT Line management was aware of the problems. They pointed out that the management and the Tasmania Police had been co-operating on this matter for some time.

They further pointed out that waterfront work practices limit the capacity of management to achieve adequate security when provisioning the ship.

COMMITTEE CONCLUSION

The Committee has reached the conclusion that there is a high incidence of crime associated with the provisioning and operations of the Abel Tasman.

The Committee notes that the TT Line Management and Tasmania Police are doing all within their capacity to overcome the problems but lack of resources, inherent structural problems and water-front work practices are limiting factors.

The Committee recommends that the matter of work practices and shipboard security be given high priority, as the count-down to the Abel Tasman replacement vessel continues.

The Committee agrees to monitor further progress on or about 17 October 1991.

4. FORESTRY COMMISSION**AUDIT DELAYS**

The Auditor-General reported on pages 3, 119 and 120 of his 1990 Report that the Forestry Commission was unacceptably slow in answering audit queries.

WITNESSES

The Committee called the following witnesses:--

Forestry Commission.

Mr J. O. James, Commissioner Commercial.

Mr J. D. Anderson, Acting Finance Manager.

SUMMARY OF EVIDENCE

Mr James acknowledged that the Auditor-General was legally and technically correct in making his demands. However Mr James pointed out that on most occasions the demands were met promptly.

Mr James stressed that there had never been a suggestion of fraud, misappropriation or concealment.

Mr James also pointed out that some of the questions asked were difficult in that they required a great deal of research before an answer could be given.

Further, The Commission encountered difficulties with the change to the computerised accounting system and this caused further delays in meeting the demands of the Auditor-General.

The Matter of approved Accounting Standards and the method of recording forest valuations were discussed and Mr James pointed out the Commission believed that its interpretation of Accounting Standard 10 was appropriate even though it was not technically correct.

The Commission officers reported that further unreasonable delays in replying to demands were unlikely.

COMMITTEE CONCLUSIONS

The Committee has reached the conclusion that there has been unreasonable delays in the Forestry Commission's attention to demands from the Auditor-General.

The Committee accepts that the past three years have been a time of great pressure on the Commission and this has been increased through the changes towards full commercial accounting at the same time as the demand to change to the computerised financial system.

However, the Committee holds the view that accountability to the Parliament representing the people overrides other considerations and therefore the demands of the Auditor-General should have been paramount.

It is the Committee's opinion that whilst the Forestry Commission's treatment of forest valuations is at variance with the relevant accounting standard it is an interpretation that the Commission needs to make and hold.

The Committee understands that the accounting standards as they apply to forest valuations are a matter of debate at the Australian Accounting Research Foundation.

The Commission must support all efforts to have this matter resolved and must accept that in the interim period the Auditor-General will note deviations from the standards on their accounts and in his reports to Parliament.

5. STRAHAN SEWERAGE SCHEME

Problems with the scheme have caused the Auditor-General considerable concern. The following extract is from page 275 of the 1990 Report.

Reference was made on page 245 of my previous Report to the construction of a sewerage scheme for which Council had received grants of \$1.9 million from the Gordon Below Franklin Alternative Funds. I also referred to the Scheme's objectives of connecting all properties in the township not being met and that Council was unaware as to when or how the remainder of the Scheme, the cost of which was estimated at approximately \$1.25 million, would be finalised.

'Following an interim audit of the 1989-90 accounts, I sought clarification in respect of a number of aspects of the Scheme, and have since been advised by Council that'

'the contractor responsible for Stages 1 and 2, the only part completed to date, has lodged claims for more than \$800 000 for extra cost, loss and expense associated with the works. Council has received complaints from property owners who have experienced difficulty in making connections to the Scheme. As a result, Council is endeavouring to determine if the connection points shown on the sewerage plans do, in fact, exist'.

'during 1989-90, Council let a contract for Stage 2B to connect six properties to the Scheme. The contractor has since requested termination of the contract by mutual agreement with Council. However, Council has elected to rescind the contract'.

'tenders have been called for the extension of the Scheme into the business area of the town. However, at this stage, Council has been unable to obtain funds to undertake these works'.

WITNESS

The Committee called the following witnesses:—

Strahan Municipality

Mr H. McDermott, Warden.

Mr W. Surtees, Council Clerk.

Department of Resources and Energy—Water Resources Division.

Mr K. Weston, Senior Executive Officer Finance.

Mr B. J. Cashion, Senior Engineer—Municipal.

Audit Department

Mr T. M. Shea, Director of Audit.

Mr W. H. Jenkin, Senior Audit Manager.

SUMMARY OF EVIDENCE

The Strahan Sewerage Scheme development was managed by the Strahan Council. The Council retained Pitt and Sherry as its consulting engineers and appointed a Clerk of Works to oversee the day by day affairs.

From a Government perspective the Rivers and Water Supply Commission provided an over view of the development and was responsible for checking the technical correctness of all contracting and tendering documents.

The Department of Premier and Cabinet was also involved in this process.

Audit Department evidence suggests that the Government involvement in the process was bona fide.

Stages 1 and 2 of this project were funded from the Gordon below Franklin compensation funds. Stage 2B was funded by a residue in the Gordon below Franklin programme and from funds of the Rivers and Water Supply Commission.

During Stage 1 development the managers lost control of the cost with the result that all funds were expended. A substantial section of the Strahan township remains unsewered and money claims against the Council remain unsettled.

The Warden of Strahan stated that the matters noted in the Auditor-General's report were factual and further pointed out there was—

‘no possibility of our paying the amounts demanded’.

The Warden pointed to further problems when he stated—

‘we do not know where the faults are until somebody comes to make a connection’.

And further—

‘In my opinion, unless some money is forthcoming from some other source, there is no way that the scheme could be completed’.

Efforts are being made to arbitrate the claims of contractor Mr Sefton Reid but the matter appears likely to be resolved in the court.

COMMITTEE CONCLUSIONS

The Committee is of the opinion that prima facie evidence suggests inferior management skills have caused this intolerable impasse to occur.

The Public Accounts Committee lacks the resources to competently investigate the totality of the problems associated with this development fiasco.

The request by the Strahan Council that this Committee carry out an investigation into the matter is therefore refused.

The Committee does however agree that the Strahan Council as the developers employing consulting engineers and a clerk of works is responsible to its rate payers for the outcomes.

If the Strahan Council is of the opinion that it has been let down by the inferior performance of people it employs or if persons or parties under contract have failed to perform then it (the Council) has other remedial actions available to it.

6. EDUCATION AND HEALTH EXPENDITURE

At a meeting with the Auditor-General the Committee's attention was drawn to comments by the Auditor-General on page 9 of his 1990 Report:—

‘I have expressed concern in earlier Reports regarding the overdrawings of Consolidated Fund Items without authority. A circular was issued by the Treasurer to all Ministers in September 1987, requesting them to remind Heads of Agencies of their obligations to ensure that no payment is made in excess of authorised funds. The Treasurer also directed that certifying officers be fully informed of their responsibilities in relation to the Public Instances of unauthorised expenditure, continue to occur. The following overdrawings were noted during 1987-90:—

<i>Department</i>	<i>Item</i>	<i>Amount</i>
		\$
Education and the Arts	A100 Operating Exp	1 737 108
Police and Emergency Services..	A100 Operating Exp	952 073
Health	A100 Operating Exp	205 440

Each of these Items was overdrawn, apparently because salaries were required to be paid. Certifying officers certified that funds were properly available when, in fact, they were not. In other words, the payments were based on false certifications.

The Departments concerned were asked to provide an explanation for the unauthorised expenditure. The first two Departments claimed that delays had occurred in the processing of Governor-in-Council Authorities to provide additional funds and that certification had been made subject to those approvals. The Secretary of the Department of Treasury and Finance agrees with my view that this is an unacceptable explanation.

The Secretary advised me in the following terms:—

‘I remain of the view, which you have supported in the past, that it is the responsibility of the certifying officer to ensure that sufficient funds are available when processing any data into the system. The fact that a cheque was drawn from the Pay-roll Suspense Account does not satisfy the control functions that should be in place to ensure that funds were available to meet expenditure items detailed on subsequent pay-roll journal’.

The Department of Treasury and Finance had intended to introduce a new procedure in 1989-90 of funds availability checking for journal transactions, in an attempt to overcome these instances of overdrawing without authority.

The Secretary of the Department recently informed that:—

‘It has not been possible to produce further controls when processing journal transactions due to other priorities associated with the system.

However, under Lafis Release 9-10, which is now available, a facility is provided to ‘hook’ screens which up to now has not been available.

It is now proposed to ‘hook’ screens to force the user to respond in those situations whereby processing a journal, appropriation is exceeded. The user will therefore be forced to give further consideration to the impact the journal will have on appropriation.

I will continue to monitor this matter. It is evident that the concept of appropriation control is still not understood by officers in some Departments. There is no excuse for these overdrawings—they are the result of unsatisfactory financial management within the Departments concerned.

WITNESSES

The Committee called the following witnesses:—

Department of Education and the Arts

Mr N. Behrens, Director Finance and Facilities.

Mr S. Trail, Acting Manager Accounting.

Department of Health

Mr S. Harvey, Manager (Finance)

SUMMARY OF EVIDENCE

The Education Department’s problem occurred when the responsible Officer certified that funds were available to meet a Pay-roll demand when such was not the case.

The concern of the Education Department Officers was to meet the Pay-roll demand. Award conditions provide that in the event of late payment of salary to employees a substantial extra penalty payment becomes due.

The Health Department advised that the unauthorised expenditure occurred when the Pay-roll for St John’s Park was paid through the Computerised Financial System. The responsible officer having certified the payment, the computer system accepted the message when in fact the funds were not available.

The Committee discussed the matter with departmental representatives and were told that new controls have been established and that the likelihood of recurrences of the practices highlighted by the Auditor-General is substantially reduced. The problem should not recur.

COMMITTEE CONCLUSIONS

The Committee is of the opinion that with prudent management the problems highlighted by the Auditor-General need not have occurred. The Committee understands that the responsible officers have accepted their error and that satisfactory controls have been put in place.

The Committee is concerned that the Health Department Manager (Finance) is of the opinion that on occasions an officer can be excused for not strictly abiding by accounting and audit regulations.

In reply to the question from the Committee;

'Do you apply the principle *of the end justifies the means* to all your financial management?'

the officer replied;

'Probably not, but in the case of salaries there is not much we can do. We are obliged to pay salaries.'

Whilst the officer concerned under further questioning retreated from this position the Committee believes that it should report on the matter.

It is of paramount importance that all officers of the service aspire to the highest standards of professional and ethical conduct in matters relating to accounting and audit.

This superior level of accountability demands a strict adherence to the law relating to financial transactions and the Committee trusts that the instances highlighted in this investigation are but an aberration.

7. HUON FOREST PRODUCTS COMPENSATION

A tenet of the Accord Agreement between the ALP Government and their Independent Green partners was that the Huon Forest Products proposal for Whale Point should not proceed.

The Government subsequently paid \$3.4 million to the proponents by way of compensation for the abandoned project.

On 28 November 1990, the House of Assembly referred the matter of the \$3.4 million compensation payment to the Committee for investigation.

WITNESS

The Committee called the following witness:—

Department of Treasury and Finance.

Mr D. Challen, Deputy Secretary.

SUMMARY OF EVIDENCE

The Committee called for a copy of all contracts and agreements between the parties leading to the compensation payment.

The Committee further called Mr Challen to provide background information on the documentation. Information was given that the amount of \$3.4 million dollars was established through a process of negotiation and represented an out of court settlement satisfactory to both parties.

COMMITTEE CONCLUSIONS.

The Committee recognises that the Government's payment to Huon Forest Products is based on its political decision to abort the Huon Forest Products development.

The PAC has no desire to comment on the wisdom or otherwise of that decision but confines itself to a consideration of the propriety and substance of the payment.

The Committee is of the opinion that compensation to Huon Forest Products was justified in the circumstances and that the process of negotiation leading to an out of court settlement was reasonable.

8. ST JOHN'S PARK WORKERS COMPENSATION

The Committee noted the following comments on page 142 of the Auditor-General's Report:—

'A review of workers' compensation statistics for all hospitals has recently been carried out, revealing that a total of 15 500 days had been lost as a result of work-related injuries during 1990, from an employee base of approximately 12 000.'

With regard to workers compensation at St John's Park, I was advised that in 1989-90 a total of 3 854 days were lost (1988-89, 3 108) and that 28 employees had aggregate compensation leave in excess of 30 days each (20 in 1988-89) and between 201 and 300 days in the case of another 4 employees (7 in 1988-89). On a Statewide basis this represents approximately 25 per cent of days lost through work-related injuries in this organisation, which only employs approximately 7 per cent of total State public hospital employees referred to in this segment of the Report.'

WITNESSES

The Committee called the following witnesses:—

St John's Park Nursing Home

Mr R. David Manton, Site Manager.

Ms Donaghy, Acting Director of Nursing.

SUMMARY OF EVIDENCE

Mr Manton and Ms Donaghy explained that the incidence of workers compensation claims was a major worry to the administrators as well as to the Auditor-General. They further explained that management had endeavoured with some short term effect to put in place procedures to remedy the problems.

Mr Manton and Ms Donaghy further highlighted deficiencies in structure and facilities at the Nursing Home which made major improvements to employee work place safety impossible to achieve.

The Committee requested the witnesses to prepare and present a paper on those structural and logistical problems that were peculiar to St John's Park.

COMMITTEE CONCLUSIONS

Quite apart from the cost to the economy of the high incidence of workers' compensation claims the Committee has reached the conclusion that it should express a concern with regard to the inherent causes of work place injuries at St John's Park.

The Committee visited St John's Park and spoke with staff and residents.

The Committee was informed that management has implemented strategies to address some causes of claims.

Efforts have been made to improve staff morale, the causes of injury are being more closely monitored and documented, work practices have been changed, a major effort has been made to reduce the hours of overtime worked by individuals, staff counselling has been improved and positive actions have been taken to attract and retain competent staff.

However, there are other causes which are beyond the immediate control of Nursing Management and can only be reduced through the application of substantial financial resources.

The following were identified as areas which should be priority items for immediate attention if the high incidence of workers' compensation claims is to be reigned in.

- Some bed areas require structural change so that attendant nurses can carry out lifting procedures according to the manual. These problem bed areas are very cramped and it is impossible to get a wheelchair/lifting machine as well as two nurses into position to lift correctly.
- The toilets on the Garden Units require structural change so that the attendants can access from either side. Currently these toilets are very narrow and do not allow adequate either side access by nurse attendants.
- Not all baths are accessible from both sides and some are very low, making them positively dangerous for nurses to use.
- Access to shower units in the Garden Units needs attention. Showers are not easily accessible by staff members who need to give assistance to the residents.
- Floor surfaces in all units need attention urgently. There has been a survey of floor surfaces in all units and it clearly demonstrates slippery, cracked, uneven surfaces, adding to the risk both staff and residents face.
- Hand rails should be strategically placed near beds so that residents can pull themselves into an upright position. This would save the nurses a great deal of lifting and as well would assist in preserving the dignity and self image of the resident.

- The provision of specialised lifting teams is recommended. These team members could also be involved in other home activities such as message distribution and transport of resident around agency.
- Roadways and paths are in need of urgent maintenance.

The above list is not meant to be exhaustive of the needs for urgent structural and maintenance requirements at the St John's Park Nursing Home. The list is highlighted because the Committee believes that attention to this list will improve work place safety and thus impact on the incidence of workers' compensation claims.

Attention to the above list requires a commitment from Government. The Committee believes that such a commitment makes good economic sense but more importantly the Committee believes the action is justified on the basis of an employer's moral responsibility to provide a safe work place for its employees.

9. ST JOHN'S PARK

RESIDENTS SPENDING MONEY

The Committee discussed this matter with the Auditor-General and then requested a summary of the procedures adopted at St John's Park when allocating spending money to residents.

COMMITTEE CONCLUSIONS

As a result of correspondence received from St John's Parks the Committee is now convinced that any problem that may have arisen is now eradicated.

10. ROADS AND TRANSPORT—MOTOR REGISTRY

The Auditor-General has reported in 1974, 1983 and 1984 about problems in the Motor Registry.

The 1990 Report further addressed the matter:—

'At a meeting I arranged in May 1990, with the Secretary Roads and Transport and the Commissioner for Public Employment, I expressed the view that steps must be taken to remove completely the attitudinal problem that has dogged the Motor Registry since 1967. The Department agreed that an investigation should be under taken of cashier procedures and the Department of Premier and Cabinet was requested to provide a consultancy brief for a systems audit of Motor Registry front counter operations. Investigations are in progress.'

WITNESS

The Committee called the following witness:—

Motor Registry

Mr W. J. Counsell, Director of Traffic Regulations.

SUMMARY OF EVIDENCE

Mr Counsell pointed out that there was a standing instruction that prohibited cashiers from processing transactions in which they or their relations had an interest.

Mr Counsell stated that's the result of a concern that he privately held, he instigated a police enquiry into aspects of motor registry activity during early 1990 and that as a result of that enquiry some incidences of incorrect practice were identified. The identified incidences of incorrect practice related to cashiers processing transactions in which they had an interest.

In all cases but one the transgressions were of a minor nature and did not involve money.

Since that time Mr Counsell has demanded and the staff have given a written undertaking that they would not process either their own nor the transactions of those with whom they are associated.

Mr Counsell also pointed out that the attitudinal problem about which the Auditor-General reported stemmed from an earlier resentment that staff held for their involvement in the process of assessing and collecting stamp duty on motor vehicle sales.

COMMITTEES CONCLUSIONS

The Committee accepts that actions have been taken to reduce the likelihood of cashiers processing transactions in which they have an interest. The random checks instituted by management will be a further deterrent to this practice.

The Committee is concerned that the Auditor-General is still reporting of a Motor Registry attitudinal problem long after stamp duty on motor vehicle sales has become a reality, but accepts Mr Counsell's proposition that the problem has now been totally eliminated.

11. RETIREMENT BENEFITS FUND—CONTINGENT LIABILITY

The contingent liability of the Retirement Benefits Fund included in the Treasurer's statement to the Parliament for the first time in 1990 and the matter of the size of the liability and its likely future impact on the consolidated fund was raised with the Committee.

WITNESS

Department of Treasury and Finance:—

Mr D. W. Challen, Deputy Secretary (Economic and Financial Policy).

SUMMARY OF EVIDENCE

Mr Challen put the point of view that the contingent liability of the RBF was of little importance to the Parliament.

He argued that the critical factor for the Parliament is whether adequate budgetary provision is made to meet the employer liability on an emerging cost basis.

The witnesses defined,

The surplus/deficiency in the fund as the evidence of the capacity of the investment derived from the employee contributions to meet the employee's share of the ultimate benefit.

The contingent liability of the fund is the employer's share of the ultimate benefit. The employer's share of the RBF benefit is not funded but rather is met on an 'emerging cost' basis.

The matter of the actuaries periodic reports and the assessment of fund surplus/loss and contingent liability was addressed.

The witness stated that the actuaries estimates were based on a set of assumptions about service dates, retirement dates, mortality, inflations, growth in wage costs and interest rates over a long period into the future and the estimates are particularly sensitive to the assumptions made about interest and inflation rates.

The witnesses explained the potential impact of the Commonwealth law relating to the vesting standards for employee benefits.

From 1995 the RBF must provide for a phased programme of vesting to the employer contributions. This ten year phased programme will provide for vesting of 100 per cent of employer contributions after a defined period of years.

This Commonwealth requirement will impact substantially on the contingent liability of the fund.

The Treasury has advertised for submissions to a review of superannuation arrangements for the public sector.

COMMITTEE CONCLUSION

- (1) The Committee applauds the decision of the Treasurer to include the RBF contingent liability in his statement to the Parliament and supports generally the concept of putting more information into the public domain.
- (2) The Committee accepts that the present funding of RBF benefits on an emerging cost basis is the Government's only option.
- (3) The Committee notes the likely impact of the Commonwealth law on vesting of employer contributions and is supportive of the Treasurer's decision to call for submissions on the future of superannuation arrangements for the public sector.

12. TASCORP

INVESTMENT OPPORTUNITIES

The Auditor-General expressed concern that many Government and semi-Government agencies were not taking advantage of the services of Tascorp and thus were not receiving maximum income on investments.

WITNESS

Tascorp:—

Mr T. Clarke, General Manager.

SUMMARY OF EVIDENCE

Mr Clarke supported the proposition put forward by the Auditor-General but suggested that the following factors contributed to the situation:—

- inadequacies in the Act.
- the failure of Tascorp to adequately market its advantages; and
- the natural reluctance of some authorities to sever long standing links with financial institutions.

Mr Clarke explained that Tascorp had established a Review Committee and hoped that its actions would overcome the problems.

COMMITTEE CONCLUSIONS

The Committee believes that there are advantages to the state if the services offered by Tascorp are effectively utilised.

The Committee accepts that Tascorp is attempting to put its house in order through a Review Committee process and believes that no further action is required at this time.

The Committee intends to monitor the performance of Agencies through this year.

13. OTHER MATTERS

The Committee has discussed a number of other subjects recently, as an attempt is made to maintain a wide watch on public accounts.

Mr J. Hickman, Deputy Secretary, Department of Treasury and Finance outlined the Financial Management Improvement Programme to the Committee.

Currently the following files are open pending ongoing enquires:—

- The private use of Government vehicles.
- The King Island Council's acquisition of a Stone Crusher.
- The disposal of obsolete Government equipment.
- the 1990 Redundancy Programme.

The Committee believes that given the support of the Parliament and the funding from Government it has the capacity to increase its investigative role.

Parliament House, Hobart

N. ROBSON, Chairman..

4 July 1991.