



1972

 PARLIAMENT OF TASMANIA

 PARLIAMENTARY STANDING COMMITTEE OF PUBLIC ACCOUNTS

TRAVELLING BY STATE EMPLOYEES

Laid upon the Tables of both Houses of Parliament on 9 March 1972

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

MEMBERS OF THE COMMITTEE

LEGISLATIVE COUNCIL

Mr Bisdee
Mr Gregory
Mr McKay

HOUSE OF ASSEMBLY

Mr Costello (Chairman)
Mr Barrenger
Mr Braid

WITNESSES EXAMINED

M. J. Jillett, Public Service Commissioner; P. T. Unwin, Chief Commissioner of Forests; F. W. Heron, General Manager, Tasmanian Government Insurance Office; J. G. Symons, Director of Mines; I. E. Corby, Administrative Officer, Mines Department; H. M. Blackwood, Secretary of the Transport Commission; R. G. Barber, Secretary for Railways and G. J. Dineen, Chief Engineer, Railways Branch.

REPORT

The Parliamentary Standing Committee of Public Accounts have the honour to report as follows:—

Use of Intrastate Air Services

1. In June 1971, the Committee resolved to call for a return of travel by State employees between any two of the major centres in Tasmania, viz. Hobart, Launceston, Burnie and Devonport. At that stage, it was intended to find whether there was sufficient movement by employees for utilisation of intrastate air services to be worthwhile. The Committee were aware that the House of Assembly Public Accounts Committee had made a report on its Motor Vehicles Enquiry only a year before (Paper No. 15 of 1970), and so it was not intended to cover the same ground again.

2. Returns were received from all departments and instrumentalities, and the Committee take this opportunity to thank the persons concerned for their co-operation. The returns showed that almost invariably, travel is by motor vehicle, either State or privately owned, with only the occasional instance of a bus or air journey.

3. The overall position, in the week 21 to 25 June 1971, which was chosen at random was that 157 persons made 'outward' journeys, that is, between points along the route Hobart-Launceston-Devonport-Burnie, and 134 in the opposite direction (to eastern or southern destinations). Thus it appeared that there was a potential body of up to fifty or sixty persons each day who could use intrastate air services, but were traveling by car instead.

4. The Public Service Commissioner, Mr M. J. Jilett, gave evidence to the Committee on the possibilities for air travel by public servants. He said that there would be direct savings to the State in costs. He compared the return air fare (including bus travel), for the Hobart to Launceston and return trip, \$21.20, to the mileage payment for a private car, \$32.50 (where the rate of 13 cents per mile is applicable). The Public Service Commissioner also agreed that very considerable savings in man hours would be possible by this means. He thought that the main problem which discouraged State employees from using intrastate air services at present was the limited service available. This is a valid objection, taking each trip into account separately, though the Committee did notice several instances where the times of journeys by car were such that air travel would have been possible. However, the Committee are confident that additional services would be provided if the airlines could be assured that they would be used as a matter of routine. This could result in greater frequency of intrastate air services.

Sharing of Cars

5. As the figures given above show, there were 291 journeys by car between the four major centres in the State, during the sample week (21 to 25 June 1971). Only direct trips were counted. Where an officer had business at some point along the way, his journey was not included.

6. The 1970 Report referred to above contains nine recommendations, including one which called for 'co-ordination of transport arrangements for officers on common trips'. In view of this recommendation and the attempt to rectify the situation which could have been expected, the Committee were dismayed to find that the 291 journeys involved a total of 207 separate cars. Of course, most journeys were return trips, which were counted separately for the purposes of this enquiry, but the ratio remains the same, at average 1.4 persons per vehicle. Moreover, nearly half of these cars were private vehicles, so that the cost in mileage allowances would have been very high. The following table shows details for individual trips.

TABLE 1
Direct Trips Between Hobart, Launceston, Devonport and Burnie 21 to 25 June 1971

TRIP	VEHICLES			PERSONS		
	Official	Private	Total	In Official Vehicles	In Private Vehicles	Total
Hobart to Launceston	30	13	43	50	18	68
Hobart to Devonport	2	1	3	3	1	4
Hobart to Burnie	4	3	7	6	7	13
Launceston to Hobart	25	11	36	44	17	61
Launceston to Devonport	5	2	7	8	3	11
Launceston to Burnie	5	8	13	7	9	16
Devonport to Hobart	5	1	6	8	2	10
Devonport to Launceston	1	3	4	1	4	5
Devonport to Burnie	15	22	37	21	24	45
Burnie to Devonport	13	23	36	14	23	37
Burnie to Launceston	1	7	8	1	7	8
Burnie to Hobart	4	3	7	7	6	13
TOTALS	110	97	207	170	121	291

7. These journeys represent only a small portion of the motor travel undertaken by State employees. Nevertheless, the cost involved in travel between these four centres alone, ignoring officer-time, travelling allowances, etc., would be of the order of \$100,000 per annum. On these figures, if an average of three persons per vehicle could be achieved, there would be a saving of around \$60,000 per annum, even if the ratio between official and private vehicles used remained constant. As matters stand, the departure times for vehicles read like a Metropolitan Transport Trust timetable.

8. The Public Service Commissioner, when asked in evidence about the extent to which public servants and other State employees share vehicles for long journeys, explained that he had no authority over the matter. He said that the 1970 Report could be implemented only by means of policy decision by the Government. In fact, the Commissioner said that he did not know whether vehicles were shared or not. The responsibility for effecting economies in travel arrangements was an internal matter of administration within departments and authorities. This being the case, it is hardly surprising that the Committee found the situation continues to be one of complete lack of co-ordination.

9. The Public Service Commissioner said that only when this Committee or the Government called for information were details of travelling arrangements collected.

10. The Committee finds the present practice to be unnecessarily wasteful and therefore recommend that responsibility for arranging all intrastate point-to-point travel by State employees be centralised.

11. The Committee envisages that public transport would be utilised as far as practicable, and cars shared. It should then be possible almost entirely to eliminate costly private vehicle running over these long trips. There would need to be provision for exemptions where appropriate, for example in cases of emergency, together with adequate safeguards to ensure that this was not abused. In order to gain flexibility it would be necessary to operate the system on the largest possible scale by ensuring that all employees, including the Transport Commission and Hydro-Electric Commission staff were included.

12. This point was emphasised for the Committee when in reply to queries on why private vehicles were so widely used, departments almost invariably said that they had no official vehicles available. Another point which was frequently made during the enquiry was that a car was taken, say, from Hobart to Launceston because an officer needed to move around the area once he had arrived. In these cases, cars could be made available as required at the destination point.

Motor Vehicle Use, 21 to 25 June 1971

13. It was necessary to direct queries to departments and authorities concerning many individual journeys. In most cases, reasonable explanations were received, in the sense that the means of travel used were necessary in the absence of co-ordination between bodies. In other words the Committee found that by and large individuals were behaving reasonably in the disorganised conditions that prevail.

14. A few examples will serve to illustrate why the Committee were unhappy with the situation revealed by the returns.

15. Three officers of the Department of Health Services were shown as having used two vehicles (one private and one official) to travel from Hobart to Burnie at 9.00 a.m. on Tuesday, 22 June 1971, returning on Friday, 25 at 3.00 p.m. It was eventually explained, after a flow of correspondence, that although the three were engaged on a single project, there had been a difference of a few hours in the times of departure.

16. A Mines Department field officer used his private vehicle for a 500-mile journey from Hobart to Launceston to the Longford/Deloraine area and return to Hobart 'as the Department does not possess sufficient official cars to service the needs of all field officers'. Subsequent enquiries revealed that the department, during the period under review, had eight Hobart-based vehicles which in total were driven only 801 miles, an average of 100 miles per vehicle. Of these, one recorded 17 miles and another 21. The officer concerned received payment of car mileage allowance for a total of 8,685 miles run in his private vehicle during the financial year 1970-71. His department had seven official vehicles based at Hobart which had lower mileages over the same year, including one which ran only 3,348 miles.

Official Motor Vehicles

17. In its report, the House of Assembly Public Accounts Committee was mainly concerned with the effectiveness with which official vehicles were managed. That Committee found the overall position to be that on the one hand official vehicles tended to be too little used, while the much costlier method of paying officers to use their private cars was used to excess.

18. The following recommendations in that report are relevant:—

'4. The average annual mileage of State-owned light motor vehicles of 6,800 miles is far too low. Full use should be made of each unit, where necessary by rotation. Accordingly, particular vehicles should not be issued on a long-term basis to particular officers.

'5. Central records should be kept showing day-to-day movements of vehicles owned by Government departments and instrumentalities.

'8. The economics involved in the choice between having officers use State or privately-owned vehicles should be examined thoroughly since current policy in the various department and authorities is based on widely differing assessments.

'9. The use of private motor vehicles for substantial mileages on official business is uneconomical, and should be reduced drastically'.

19. Again in the present enquiry, it was not intended to cover this ground, since it was taken for granted that some progress would have been made.

20. Information supplied by the Director of Mines, which is sampled above, led the Committee to make enquiries as to the mileages covered during the period 1 July 1970 to 30 June 1971 by State-owned light motor vehicles. For convenience, the position will be considered under the four headings 'Hydro-Electric Commission', 'Transport Commission', 'Police Department' and 'Public Service and Other'.

TABLE 2
Average Numbers of Light Motor Vehicles Held in Year 1970-71

Authority	Average Fleet 1970-71
Hydro-Electric Commission	513
Transport Commission	74
Police Department	251
Public Service and Other	375
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	1,213

21. Table 2 above shows the number of light vehicles (sedans, station wagons, utilities, etc.) owned by the State in these four divisions. These figures exclude special purpose and heavy vehicles. The total is 1,213, so that the State's investment in these vehicles is of the order of \$2,000,000.

22. Returns were supplied to the Committee showing the mileages run by vehicles in the year ended 30 June 1971. From this information the Committee attempted to find whether official vehicles are being fully utilised. An annual mileage of 10,000 was taken arbitrarily as a reasonable standard.

TABLE 3
*Proportion of Light Motor Vehicles Which Ran More Than 10,000 Miles
in the Year 1970-71*

Authority	Vehicles Running Over 10,000 Miles 1970-71 %
Hydro-Electric Commission	65.1
Transport Commission	85.1
Police Department	57.8
Public Service and Other	26.7

23. The Committee consider that these figures, so far as the Hydro-Electric Commission, the Transport Commission and the Police Department are concerned, are satisfactory. In the case of the Hydro-Electric Commission, it was noted that vehicles based at headquarters tend to be used fully, while those located away from Hobart record, in some cases, lower mileages. For instance, in 1970-71, Hobart-based sedans ran at an average rate of 16,000 miles per annum, against a Statewide average for Commission-owned sedans of 13,660 miles, per annum. In view of this, it was suggested to the Hydro-Electric Commission that it might be advantageous to interchange vehicles so as to even out mileages. In reply the point was

made that trade-ins occur on a time basis, so that there would be nothing to be gained. Nevertheless, where there are vehicles running very low mileages the position should be reviewed critically at intervals to ensure that there are not surplus vehicles in some places and shortages in others.

24. It will be seen from Table 3 above that some 85% of Transport Commission vehicles covered over 10,000 miles in 1970-71. The Committee heard evidence from the Secretary of the Transport Commission, the Secretary for Railways and the Chief Engineer, Railways Branch. The witnesses were questioned at length over a wide range and displayed an intimate knowledge of all aspects of the running of the Commission's fleet. We are satisfied that the very high mileages merely reflect good management. Log books for seven vehicles were chosen at random by the Committee. These were properly written up, but, as is inevitable in records of this kind, were of limited value. This remark is not in any way intended as a criticism of the Transport Commission. The point the Committee wish to make is simply that written records, whatever their uses, are never a substitute for strong personal supervision.

25. Information sought from the Police Department was confined to a return showing numbers of vehicles held and mileages run. The previous report expressed satisfaction with the position in that department, and the fact that nearly 60% of vehicles travelled more than 10,00 miles in 1970-71 confirms that view.

26. It is with the remaining category (Public Service and Other) that the Committee are most concerned. Here only about a quarter of vehicles ran at the rate of over 10,000 miles in 1970-71. At the same time, this is the area in which payment of car mileage allowances for private vehicles used on business occurs. The previous report noted that the total cost involved in these allowances was very high. For example, 1968-69 expenditure by three departments alone (Forestry, Agriculture and Health) totalled over \$280,000. That report also established that private vehicles are a very expensive method for the State to use. The rates paid at present are as follows:—

- (a) 16 horsepower or over: 13c per mile for first 5,000 miles and 7c per mile thereafter;
- (b) Under 16 horsepower: 11.2c per mile for first 5,000 miles and 6c per mile thereafter.

27. The Department of Mines paid car mileage allowances to twenty-three officers in 1970-71, of whom twelve travelled more than 7,000 miles each. That department had an average strength of some twenty-four official vehicles in 1970-71, and several ran quite low mileages.

TABLE 4

Department of Mines Low Mileage Vehicles 1970-71

Registration No.	Mileage 1970-71
GT-2270	7,000
GT-2705	3,348
GT-2730	5,730
GT-1250	6,953
GT-2183	5,478
GT-2706	6,561

28. The Committee heard evidence from Mr J. G. Symons, Director of Mines, and Mr I. E. Corby, Administrative Officer. It was explained that official vehicles are issued to particular officers on a long-term basis because it is thought preferable to have a particular person responsible for a vehicle. This policy results in some vehicles being idle at times while field officers are engaged in duties such as writing up reports at head office. The Director felt that the organisational difficulties involved in pooling the department's cars were too great. That there is considerable room for improvement in the department's system is obvious, when it is considered that one officer was paid allowances for running his private car over 9,325 miles in 1970-71, while there was an official car which ran only 3,348 miles in the same period.

29. Mr P. T. Unwin, Chief Commissioner for Forests, gave evidence on the cost of private car running by his staff. He provided the following table:—

TABLE 5

Forestry Commission, Operation and Costs of Privately-owned Motor Vehicles Used for Official Purposes During Period from 1 July 1970 to 30 June 1971

Mileage	Number of Units	Total Mileage	Average Mileage	Total Cost	Average Cost Per Unit	Average Cost Per Mile
Less than 3,000	14	23,815	1,701	\$ 3,095.95	\$ 221.14	c 13.00
3,001-5,000	21	85,314	4,062	11,090.82	528.13	13.00
5,001-6,500	21	122,043	5,812	14,773.01	703.48	12.10
6,501-8,000	19	139,952	7,366	15,496.64	815.61	11.07
8,000 and over	19	188,375	9,914	18,886.25	994.01	10.03
Totals	93	559,499	....	63,342.67	....	....
Averages ....	....	....	6,016	....	681.10	11.32

30. It will be noted that the total cost in 1970-71 was \$63,342.67. Nineteen officers exceeded 8,000 miles during the year. The highest mileage run by any individual was 13,953 miles, by a supervisor. The payment to this person for the year ended 30 June 1971 was \$1,276.71.

31. The Chief Commissioner for Forests agreed that this was an expensive way of conveying staff and said that he would like to see private car running on official business phased out. Bearing the above table in mind, Table 6 below gives details on the mileages run by the Commission's official vehicles. The Forestry Commission had forty-two light motor vehicles in operation for the full year. In addition, twenty-nine vehicles were either purchased or disposed of, but these are not taken into account in the table.

TABLE 6

Forestry Commission Vehicles: 1970-71

Mileage	No. of Units
Less than 3,000	0
3,001-5,000	6
5,001-6,500	5
6,501-8,000	15
8,000 and over	16

32. Here again it must be pointed out that while nineteen officers travelled more than 8,000 miles each in their private cars, there were twenty-six Commission-owned vehicles which ran less than this distance.

33. The Public Service Commissioner emphasised in his evidence the problem of private running in official vehicles. Referring to the general practice of having officers take cars home with them after hours, he said that this would tend to destroy the cost advantage of official vehicles, since the State was paying for these journeys. This is true, but there are ways in which this can be overcome. Cars could be garaged only by employees who live close to their offices. This simple step, involving only the realisation that the person who is to be responsible for a car at night need not necessarily operate it during business hours, could reduce this expense very considerably. Alternatively, a system could be devised whereby approved employees of a department or authority could pay for the right to drive official cars to and from work. Hirers would be responsible for garaging and cleaning and would not be entitled to make other trips. Since the State would need only to break even on this running, charges could be attractive enough to ensure that there was no shortage of hirers.

34. A third possibility is an arrangement with local authorities to use car parks during off-peak periods.

35. The Public Service Commissioner mentioned that some departmental officers are appointed on the understanding that they will have official cars, and in these cases, use is substantially restricted to running between their homes and offices. The Committee were not aware of this practice, which is considered to be quite inappropriate for Public Service.

36. An example of this, which came to the attention of the Committee, was a Holden sedan, owned by the Department of Agriculture, which recorded 3,694 miles in 1970-71. The department's explanation was as follows:—'This vehicle is mainly used by Director. Owing to pressure of work at Head Office travelling over the period in question naturally restricted'.

37. Excessive payment of car mileage allowances for private vehicles and inadequate use of existing resources of official vehicles were not found to occur in the Hydro-Electric Commission, Transport Commission or Police Department. Perhaps because of their size, these three organisations appear to be operating their motor fleets efficiently.

38. It is in the Public Service departments that there is a need for control. The problems that have been described seem to have arisen because of several factors. The Public Service Commissioner has lacked authority to co-ordinate and enforce efficient motor use. As a result, it has not been the function of any department even to be aware of the overall situation. Within departments, the ready availability of car mileage allowances to officers has reduced the necessity to get the most out of official vehicles; and these same allowances enable unwarranted long-term issue of official vehicles to particular employees to proceed without resentment from those who use their own cars, often over longer mileages.

39. The Committee recommend as a solution the adoption of a philosophy that all Public Service vehicles are considered part of a pool. This need not involve expensive formal organisational changes. All that is required is the regular collation by the Public Service Commissioner's Department of information on official and private car use within the Public Service and the vesting in that department of authority to direct. This information should be presented in suitable form in the Public Service Commissioner's Annual Report tabled in Parliament. The fact that two Public Accounts Committees, in successive years, have enquired into this subject, makes it clear that this is one aspect of Public Service activity about which Parliament wants to be kept informed.

40. Officers who are to receive car mileage allowances must receive authority from the Public Service Commissioner. The Committee believe that through lack of information available to him, the Commissioner's granting of authority to use private vehicles has, in many cases, been unjustified. The Committee recommend that no new applications should be granted where a department has any suitable vehicles running at a rate of less than 8,000 miles per annum.

41. In view of the very strong position of the Supply and Tender Department in purchasing and the established cost advantages of official vehicles, employment of private cars should be phased out as quickly and as completely as possible.

42. In the course of the enquiry, the Committee sought advice from the General Manager of the Tasmanian Government Insurance Office, Mr F. W. Heron, on the position regarding insurance for State-owned motor vehicles. He explained that the Hydro-Electric Commission and the Transport Commission do not insure their vehicles. The Forestry Commission, the Public Works and Labour and Industry Departments have third-party property damage cover only, that is they are insured against liability for damage to vehicles or property other than their own vehicles. Practically all other State-owned vehicles carry full comprehensive policies. Premiums are currently at the standard rates for goods-carrying or business vehicles: \$205 per annum comprehensive and \$20 third-party property damage, with the exception that a discount of 15% is allowed for Police Department Vehicles.

43. The Committee suggested that a concession might be feasible if all State-owned vehicles were covered by comprehensive insurance. The General Manager agreed that this was a possibility and thought that an annual premium of around \$150 per vehicle would be appropriate, a discount of about 30%. It is recommended that this aspect be investigated.

44. This Committee cannot assume the role of a Standing Committee on Public Service motor travel. It was with reluctance that the matters mentioned in this report were enquired into at all, bearing in mind that a comprehensive report was presented by the House of Assembly Public Accounts Committee in

1970. This further enquiry, in the opinion of the Committee, justifies all of the conclusions and recommendations made in that report. It is pleasing to note that some have already been implemented. However, those set out earlier in this report (see paragraphs 6 and 18) still require attention. This present examination of day-to-day running by official vehicles leads the Committee to further conclusions, which are as follows:—

SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

1. Intrastate air services are cheaper and faster than motor transport and should be used by State employees. (See paragraph 4.)
2. Improved air services could be expected to follow increased demand, to the mutual benefit of the State as an employer, and the airlines and the community as a whole. (See paragraph 4.)
3. Responsibility for organising intrastate travel by State employees should be centralised. Where cars are to be used, they should be official vehicles shared by as many officers as possible. (See paragraphs 10 and 11.)
4. The needs of departments and authorities and their branches should be reviewed regularly to ensure that there are not long-standing surpluses and shortages of official vehicles. (See paragraph 23.)
5. Most vehicles held by Public Service departments are too little used, while huge sums in private car mileage allowances are being paid. (See paragraph 26.)
6. Steps should be taken to reduce the cost of garaging official vehicles at private homes. (See paragraphs 33 and 34.)
7. The practice of providing cars for senior appointees as a perquisite should cease. (See paragraph 35.)
8. Vehicles owned by Public Service departments should be treated as a pool and passed from officer to officer and department to department as economic and efficient management requires. (See paragraph 39.)
9. The Public Service Commissioner should be authorised to control the operation of all departmental vehicles. (See paragraph 39.)
10. To this end the Public Service Commissioner's Department should collect regularly full information on the operations of all vehicles and include this information in the Annual Report. (See paragraph 39.)
11. In future, no new applications should be approved for payment of car mileage allowances to officers whose departments have suitable vehicles which are running at less than 8,000 miles per annum. (See paragraph 40.)
12. Mileage allowances for private vehicles should be phased out as quickly as possible. (See paragraph 41.)
13. The economics of the various insurance alternatives should be fully investigated. (See paragraph 43.)

L. COSTELLO, Chairman

Ministerial Party Room,
Parliament House, Hobart,
9 February 1972