



1972

PARLIAMENT OF TASMANIA

**PARLIAMENTARY STANDING
COMMITTEE OF PUBLIC ACCOUNTS
GENERAL REPORT FOR YEAR 1971-72**

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PARLIAMENTARY STANDING COMMITTEE OF PUBLIC ACCOUNTS

GENERAL REPORT FOR YEAR 1971-72

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

MEMBERS OF THE COMMITTEE

LEGISLATIVE COUNCIL

Mr Bisdee
Mr Gregory
Mr McKay

HOUSE OF ASSEMBLY

Mr Corby
Mr Lohrey
Mr Mather (Chairman)

These members were appointed at the opening of the First Session of the thirty-sixth Parliament on 7 June 1972. At 1 July 1971, the Members of the Committee were: Messrs Fenton, Gregory and McKay, representing the Legislative Council and Messrs Barrenger, Braid and Costello (Chairman), representing the House of Assembly. On 13 October 1971, the Honourable C. B. M. Fenton was appointed Chairman of Committees of the Legislative Council, and on the following day the Honourable L. F. Bisdee was appointed a member of the Committee in his place.

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.

In the period 1 July 1971 to 15 March 1972 (when the House of Assembly was dissolved), the Committee met on twenty occasions. The new Committee met three times between its appointment on 7 June and 30 June 1972.

During the year a General Report for 1970-71 (Paper No. 46 of 1971), containing explanations of significant under or over spending in twenty-four items of the Consolidated Revenue Fund Appropriation Act 1969-70, was presented. There were also reports on Stores Control: Hydro-Electric Commission and Education Department (Paper No. 26 of 1971), Tasmanian Public Hospitals: Outstanding Fees (Paper No. 68 of 1971) and Travel by State Employees (Paper No. 5 of 1972).

At the time of the dissolution, the Committee had under consideration a number of matters. Section 8 of the Public Accounts Committee Act 1970 provides that—

Where the Committee, as constituted at any time, has taken evidence in relation to any matter, but the Committee as so constituted has ceased to exist before reporting on that matter, the Committee as next constituted may consider that evidence as if it had been given before it.

It was resolved at the first meeting of the reconstituted Committee that all such enquiries be continued and reported upon.

Rosny Matriculation College:

This project commenced in mid 1971, and the Committee decided at that time to follow expenditure on construction until its completion. Only preliminary evidence has been heard to date because the only accounts laid before Parliament so far show expenditure to 30 June 1971, which was confined to design work.

State Public Debt:

On page 99 of the Auditor-General's Report for 1971 (Paper No. 16 of 1971) the following comment appears:—

Interest, sinking fund contributions and other charges relative to the Public Debt for the past five years have been:—

Gross charges:

	1966-67	1967-68	1968-69	1969-70	1970-71
	\$	\$	\$	\$	\$
Interest and other charges	24,320,439	26,407,739	28,383,241	31,771,241	33,228,893
Sinking Fund contributions	3,948,620	4,235,154	4,586,204	4,918,747	5,333,797
	<u>\$28,269,059</u>	<u>\$30,642,893</u>	<u>\$32,969,445</u>	<u>\$36,690,166</u>	<u>\$38,562,690</u>

The above comparisons of gross debt charges are distorted so far as the years 1969-70 and 1970-71 are concerned. It has been normal procedure in the past to meet interest charges payable to the Commonwealth on the due date; however in 1969-70 interest payments totalling \$592,224 due on 1 July 1970, were paid on 30 June 1970, this bringing into the 1969-70 accounts three half-yearly payments of interest on the loans concerned.

In 1970-71 however there was a reversion to the original policy and only one half year's interest was paid, that due on 1 January 1971. The payment due on 1 July 1971, \$580,899, was not met until the due date and will thus appear as a charge in the 1971-72 accounts.

It will therefore be seen that if the figures of gross debt charges are nominally adjusted by bringing into the 1970-71 accounts the payment of \$592,224 made on 30 June 1970, then the true increase in debt charges in 1970-71 as compared with 1969-70 is 8.46 per cent and 38.5 per cent as compared with 1966-67. This increase results from increased borrowings and higher interest rates.

Evidence was heard on this matter from M. J. Firth, Esq., Assistant Under-Treasurer, who submitted the following:—

In August 1970, the Auditor-General wrote to the Treasury and noted that this payment 'in advance' was at variance with the practice adopted in past years. He sought the Treasury's comments on this matter.

On 24 September 1970, the Treasurer (Hon. W. A. Bethune) replied to the Auditor-General as follows:—

'You have asked why the interest on Inscribed Stock and on Special Bonds amounting to \$592,224 was paid in June 1970, although not due until 1 July 1970.

Revenue during the last weeks of June 1970, was much more buoyant than could possibly have been anticipated. At the same time it was evident that the State would face major financial difficulties during 1970-71. It was accordingly decided to pay the amount in question when the funds were available.

I was mindful of the accounting results of my decision. However, as Treasurer, I considered it was sound and wise financial policy to make the payment in June. In my view, the wisdom of the decision can now be seen.

If you wish, I would be pleased to discuss the decision with you.'

The preliminary budget result for 1969-70 was a *surplus* of \$2,814,995. If the payment in question had not been made, this would have been \$592,225 higher at \$3,407,220. However, it must be remembered that the accounts for 1969-70 were affected by the enactment of legislation to

delete the requirement in the Transport Act for land tax collections to be paid to the Transport Commission. The benefit to the 1969-70 budget as a result was \$2,633,254. Even had this not occurred, the preliminary surplus would have been \$181,741, or \$773,966 if the 1 July interest had not been paid on 30 June 1970.

In commenting on this matter in his Report for 1970-71, the Auditor-General has noted that a similar payment due twelve months later on 1 July 1971, was not paid until the due day. This is so. The Committee will have noted that the preliminary budget result for 1970-71 was a minimal surplus of \$22,276. The situation was, therefore, completely different from that which existed at 30 June 1970.

Budget Results 1970-71:

It was noted from the Budget Papers presented during 1971 that many items were significantly over-spent or underspent in the Consolidated Revenue Fund Appropriation Act 1970-71. Some sixty such items were selected for enquiry and the Departments concerned asked to explain the reasons for the discrepancies in each case. The items and reasons are as follows:—

Ministerial: Division 5, Item A1—Pay-roll Tax: Estimate \$1,075, Expenditure \$1,223.

Reason: Increases in Ministerial salaries granted by the Parliamentary Salaries Tribunal from 1 October 1970.

Premier's and Chief Secretary's Department: Division 6, Item B4—Uniforms: Ministerial Car Drivers, Office-Keepers and Messengers: Estimate \$3,100, Expenditure \$4,023.

Reason: General increase in prices and one additional messenger and one additional driver.

Premier's and Chief Secretary's Department: Division 6, Item B7—Miscellaneous: Estimate \$500, Expenditure \$683.

Reason: Unforeseen travelling expenses for the wife of a Minister who represented the State in Sydney on the occasion of the visit of His Holiness Pope Paul VI.

Premier's and Chief Secretary's Department: Division 6, Item C2—Publicity in Tasmania and Overseas: Estimate \$3,100, Expenditure \$2,265.

Reason: Printing of illustrated folders on Tasmania for distribution to school children etc. for the Agent-General, originally planned, but not proceeded with because of sufficient supplies of 'Tasmania To-day' being on hand.

Premier's and Chief Secretary's Department: Division 6, Item C6—Contributions and Grants for Miscellaneous Purposes: Estimate \$10,000, Expenditure \$7,967.

Reason: The amount provided for unforeseen Government Contributions or Grants which may have been approved during 1970-71 was \$10,000. Actual approvals during the year totalled \$7,967.

Premier's and Chief Secretary's Department: Division 6, Item B14—Miscellaneous: Estimate \$1,250, Expenditure \$1,676.

Reason: Increases in radio transceiver licences for the Civil Defence Branch and increased and additional personal accident insurance premiums for Civil Defence volunteer personnel.

Premier's and Chief Secretary's Department: Division 6, Item C11—Repairs, Alterations and Maintenance of Premises at Civil Defence Headquarters: Estimate \$2,000, Expenditure \$645.

Reason: The original estimate made provision for removing an internal wall and installing folding doors and also repairs to surface of car park at Hobart Civil Defence Headquarters. Only the removal of the wall was completed during the year, the other items being delayed.

Agent-General in United Kingdom: Division 7, Item B7—National Health Insurance and Graduated Contributions: Estimate \$2,000, Expenditure \$1,611.

Reason: The Government became liable to meet the employer's contributions of an Aide-de-Camp for British National Health Insurance. The A.D.C. in question returned to England during the financial year, releasing the Government from further liability as the employer.

Treasury Department: Division 8, Item B2—Postal Charges and Telephones: Estimate \$4,000, Expenditure \$4,569.

Reason: Bulk postage charges account for the greater part of expenditure from this item. Postage rates rose in October 1970.

Treasury Department: Division 8, Item C2—Miscellaneous Expenses: Estimate \$10,000, Expenditure \$5,799.

Reason: Other than for meeting the losses of Mount Cameron Water Race, and Ringarooma and Cascade Water System, the amount provided is to meet unforeseen expenditure which cannot be properly charged to other Items in the Division. Because of the nature of the Item, the amount provided is largely nominal.

Treasury Department: Division 8, Item C20—Allowances under the State Employees (L.S.L.) Act (No. 81 of 1950): Estimate \$248,500, Expenditure \$322,858.

Reason: Payments against this item are made where long service leave is not taken because of death, retirement or failure to grant applications for leave within five years. These factors and also increases in salaries affect the level of expenditure. There had been a gradual rise from \$114,000 in 1964-65 to \$238,000 in 1969-70, so that the provision of \$248,500 was reasonable.

Treasury Department: Division 8, Item C22—Retiring and Death Allowances under the Public Servants' Retiring and Death Allowances Act (16 Geo. V No. 11): Estimate \$180,000, Expenditure \$239,102.

Reason: As in the case of Item C20 above, there was a sharp increase in expenditure during the year, which was mainly attributed to salary increases.

The Auditor-General discussed this item with the Committee and said that following a legal opinion some fifteen years ago, employees of statutory authorities including the Hydro-Electric Commission, claim under the Act and are paid from Consolidated Revenue. He pointed out that in this way there had been what amounted to a subsidy of \$72,000 to the Hydro-Electric Commission in 1970-71, and said that this is an anomaly which ought to be overcome by amendment of the Act. The Committee agree and therefore recommend that the necessary legislation be passed to ensure that in future, payments to employees of statutory authorities be met by those authorities.

Treasury Department: Division 8, Item C23—Subsidy to Zeehan Municipality in respect of annual charges on Loan (61 Vic., No. 19): Estimate \$300, Expenditure \$42.

Reason: Authorised by 61 Victoria 1897, No. 19 and 63 Victoria 1899, No. 21, Loans of \$12,000 and \$6,000 for street improvement were made to the then Town Board of the Town of Zeehan. Special assistance by way of a subsidy of \$150 was made to help the Zeehan Council with the annual instalment of \$387.39.

Under-expenditure occurred in this Item largely because of a full year's subsidy was inadvertently included. As the loan expired in 1970-71 the amount that should have been provided was \$192. However, as only \$42 was paid, it was necessary to include a further appropriation of \$150 in 1971-72.

Treasury Department: Division 8, Item B6—Office Requisites, Printing and Advertising (Superannuation Branch): Estimate \$2,700, Expenditure \$4,335.

Reason: No provision had been made for printing and stationery requirements in preparation for the introduction of the Retirement Benefits Scheme from 1 July 1971.

Treasury Department: Division 8, Item B16—Travelling Expenses (Taxation Branch): Estimate \$4,250, Expenditure \$2,468.

Reason: In anticipation of further interstate conferences on Receipts Duty and the expectation that with the new Duty there would be increased intrastate travel an amount of \$4,250 was provided. With the loss of the Receipts Duty, the expected travel did not eventuate with the result that the Item was underspent by \$1,782.

Supply and Tender Department: Division 9, Item B1—Office Requisites, Printing and Advertising: Estimate \$9,600, Expenditure \$15,442.

Reason: The substantial variation between actual and estimated expenditure is primarily the result of the major change in the method of purchase and disposal of vehicles for the Police Department and other departments in August 1970—disposal being effected by direct sale instead of trade-in.

Supply and Tender Department: Division 9, Item B2—Postal Charges and Telephones: Estimate \$8,500, Expenditure \$12,630.

Reason: The appreciable variation between actual and estimated expenditure was not the result of any weakness in the budgeting system. It arose from actual demand by departments and organisations on this Department's facilities.

Tourist and Immigration Department: Division 17, Item B2—Postal Charges and Telephones: Estimate \$43,000, Expenditure \$51,746.

Reason: The transfer of control over Australian National Line bookings to the Line itself necessitated the installation of direct telephone lines from the Department's Melbourne Bureau to the Line. Telephone and teleprinter charges generally were increased, while there was an increase in the number of passenger arrivals.

Tourist and Immigration Department: Division 17, Item C7—Contributions and Grants for Development and Improvement of Tourist Attractions: Estimate \$5,000, Expenditure \$7,949.

Reason: Cabinet approved a grant of \$3,000 during the year to the Municipality of Ross as a contribution towards establishing a caravan park at Ross.

Audit Department: Division 10, Item B3—Travelling Expenses: Estimate \$13,000, Expenditure \$16,412.

Reasons: Increases in mileage, meal and travelling allowance rates by the Public Service Tribunal accounted for about \$1,600 of the excess. A decision was taken in July 1970 to bring major West Coast audits up to date, and the resultant need for two officers to spend about eight months there involved the unforeseen expenditure of a further \$1,600.

Public Service Commissioner's Department: Division 11, Item B4—Expenses of Public Service Appeal Board and Committee: Estimate \$500, Expenditure \$840.

Reason: An appeal against the promotion of a Department of Agriculture officer in his Department's Marketing Office, Sydney, necessitated that officer being brought to attend a hearing in Hobart. This cost \$139. In addition there was a significant increase in appeals and consequently meetings of the Board during the year.

Department of Social Welfare: Division 13, Item B1—Office Requisites, Printing and Advertising: Estimate \$3,100, Expenditure \$4,568.

Reason: The estimate was based on the previous year's experience, but was inadequate because of increased demand and usage of forms and stationery due to the expansion of Departmental activities.

Department of Social Welfare: Division 13, Item B2—Postal Charges and Telephones: Estimate \$4,600, Expenditure \$5,591.

Reason: Increased postage and telephone charges.

Department of Social Welfare: Division 13, Item C12—Sundry Social Service Grants: Estimate \$31,300, Expenditure \$52,084.

Reason: The following additional grants approved by Cabinet:—

- (1) Kennerley Boy's Home—rental subsidy, \$234.
- (2) Kennerley Boy's Home—purchase of land, \$12,550.
- (3) Salvation Army Maternity Home—cost of extensions, \$8,000.

Department of Social Welfare: Division 13, Item C14—Contributions to certain Institutions towards maintenance of Destitute Inmates admitted at the request of State Departments: Estimate \$2,500, Expenditure \$619.

Reason: This item was provided as the result of a submission by the Child Advisory Council drawing attention to the financial difficulties of certain voluntary institutions, due to the admission of girls and young women on the instigation of certain State Departments, and for whom they receive no payment.

The rate of contribution by the State Government is \$8.25 per week.

Because of the varying number of girls and young women likely to be admitted and discharged during the year, it is difficult to assess the cost likely to be involved.

Department of Labour and Industry: Division 14, Item C2—Administration of Acts, Incidental Expenses: Estimate \$2,000, Expenditure \$1,308.

Reason: Savings as follows were made in the administration of several Acts:—

Ladies Hairdressers and Beauty Culturists Act 1939 (\$150)—no sitting fees.

Workers Compensation Act 1927 (\$85)—medical and counsels' fees.

Scaffolding Act 1960 (\$100)—no appeals.

Factories, Shops, and Offices Act 1965 (\$242)—fewer meetings and less travelling by the Factory Welfare Board.

Inspection of Machinery Act 1960 (\$200)—no applications for the Engine Drivers Certificate.

Department of Labour and Industry: Division 14, Item Apprenticeship Commission: Estimate \$5,400, Expenditure \$6,556.

Reason: The introduction of block release training for apprentices from country areas occurred during the year. \$4,000 had been allowed for transport costs and sustenance allowances, but actual expenditure was \$5,119.

Department of Labour and Industry: Division 14, Item C9—Repairs, Maintenance and Alterations to Buildings: Estimate \$3,750, Expenditure \$734.

Reason: The \$3,016 was saved when planned repairs and alterations were not proceeded with because of a decision to construct an additional storey on the Murray/Brisbane Street building and to demolish and rebuild an annexe.

State Library of Tasmania: Division 15, Item B1—Office Requisites, Printing and Advertising: Estimate \$6,250, Expenditure \$10,240.

Reason: Adaption to automatic data processing required new stationery which was purchased in larger, more economic quantities than had been intended. Also, because of the unavailability of equipment, it was necessary to have contractors prepare input on books and borrowers.

State Library of Tasmania: Division 15, Item C7—Cost of Micro-Filming Records relating to Australia: Estimate \$600, Expenditure \$336.

Reason: The price of micro-film copying was reduced by the supplier.

Miscellaneous, Chief Secretary: Division 18, Item C4—Grant to the Royal Botanical Gardens: Estimate \$92,000, Expenditure \$100,000.

Reason: Wage increases resulting from awards necessitated an additional grant.

Education Department: Division 21, Item B2—Postal Charges and Telephones: Estimate \$65,000, Expenditure \$72,697.

Reason: Increases in telephone rentals and postal rates from 1 October 1970.

Education Department: Division 21, Item B5—Office Machines and Equipment: Estimate \$7,000, Expenditure \$3,288.

Reason: This under-expenditure was partly due to an over-estimation of new equipment requirements and also to the fact that payment for the offset duplicator was not effected until July 1971.

Education Department: Division 21, Item C20—Lighting Heating and Maintenance of Properties and Equipment: Estimate \$15,000, Expenditure \$25,544.

Reason: Insufficient provision was made to meet expenditure under the above item due to a typographical error in the printing of the 1970-71 Consolidated Revenue Fund Appropriation Bill. In addition, as this was the first year of the operation of the Launceston Teachers College under a separate allocation, some difficulty was encountered in arriving at a precise figure for the cost of operation.

Tertiary Education, etc.: Division 22, Item C3—Grant to University of Tasmania for period 1.7.70 to 31.12.70: Estimate \$1,084,000, Expenditure \$1,020,782. Item C4—Grant to University of Tasmania for period 1.7.71 to 30.6.71: Estimate \$1,213,000, Expenditure \$1,197,784.

Reason: The amount provided in the Appropriation Act for University Grants in Division 22 under Items C3 and C4 is fixed on the basis of \$1 Commonwealth Grant for each \$1.85 provided by State Grants and student fees combined.

When these fees were raised after the Appropriation Act was passed a lesser amount was required to bring the total of State Grant and student fees up to the level required to attract the full Commonwealth Grant.

Parliamentary Draftsman's Department: Division 24, Item B3—Travelling Expenses: Estimate \$1000, Expenditure \$172.

Reason: Reduced travelling to the mainland for meetings.

Supreme Court and Sheriff's Department: Division 26, Item B7—Court Reporting, Incidental Expenses: Estimate \$17,000, Expenditure \$10,634.

Reason: Licensed shorthand writers had been employed in 1969-70, when expenditure was \$15,955. \$17,000 was provided by 1970-71 on the assumption that this system would continue. In the latter part of 1970 it was decided to change the system of court reporting. All courts in the State have been equipped for tape recording. Proceedings will still have to be typed back but only in special cases, where there is an appeal or a direction for a running transcript. Overall costs will therefore be substantially lower. The saving of \$6,366 resulted from lower payments to the shorthand writers who were not employed in the second half of the year, offset partly by the cost of setting up the new system.

Registrar-General's Department: Division 27, Item B3—Travelling Expenses: Estimate \$900, Expenditure \$1,900.

Reason: A visit by the Registrar-General to the United Kingdom, U.S.A., Canada and New Zealand was approved by Cabinet in August 1970.

Registrar-General's Department: Division 27, Item B5—Office Machines and Equipment: Estimate \$955, Expenditure \$2,802.

Reason: The purchase of a 'Minoltafax 1714' office copier for installation in the Registry of Deeds, was approved in December 1970.

Prisons Department: Division 29, Item B2—Postal Charges and Telephones: Estimate \$3,600, Expenditure \$4,591.

Reason: Increased postal rates and telephone charges, an increase in the number of prisoners, and costs associated with arranging construction projects.

Prisons Department: Division 29, Item B4—Travelling Expenses: Estimate \$1,600, Expenditure \$2,288.

Reason: Rises in travelling allowance rates and increased travel by senior officers to Hayes Gaol Farm and to the North of the State in connection with proposed prison development.

Police Department: Division 29, Item B2—Postal Charges and Telephones: Estimate \$83,000, Expenditure \$98,989.

Reason: Increased postal charges and telephone rentals, and radio communication licence fees; also the new method of service of summonses by certified mail.

Police Department: Division 29, Item C5—Expenses of Emergency Search and Rescue Operations: Estimate \$1,000, Expenditure \$2,499.

Reason: The amount provided under this item is a nominal amount as it is impossible to estimate the cost or the number of occasions Police personnel will be called to organise or assist in Emergency Search and Rescue Operations.

Public Works Department: Division 30, Item C7—Restoration of Stonework, Historic Government Buildings: Estimate \$7,500, Expenditure \$11,309.

Reason: In May 1970, a contract was let for work to be carried out on the Macquarie Street, Franklin Square Buildings for \$10,488 plus rise and fall. No payments were made prior to 30 June 1970 and the full amount of the contractual commitment was therefore included in the 'Estimates' for 1970-71. However, at the estimate discussions the amount was reduced by the Treasury as it was thought the contractor would not complete all the work during 1970-71. This assumption proved to be incorrect and additional funds were therefore necessary to pay the contractor in full.

Public Works Department: Division 30, Item C16—Public Buildings, Franklin Square/Murray Street: Furnishings, Fittings and Appointments: Estimate \$5,000, Expenditure \$194.

Reason: Experience has shown that when renovating and remodelling buildings there is expenditure on furnishings, fittings, etc., which cannot properly be charged to Loan Funds. This is especially so in respect of old buildings. There is no statistical basis for the amount provided. It was a nominal amount based on experience. As the renovations and remodelling works were to be carried out to the Premier's and Chief Secretary's suites it was considered that there may have been a number of items in this category which could be required. On this basis an amount of \$5,000 was included. In the event only \$194 was expended. This amount was spent on a refrigerator and a wireless for the Premier's Suite and a wireless for the Chief Secretary's Office. A small charge of \$9 for cartage and truck hire was also met from this item.

Lands and Surveys Department: Division 31, Item B5—Staff Surveyors and Parties: Incidental Expenses, including Equipment: Estimate \$12,500, Expenditure \$9,249.

Reason: In March 1971, the Hon. the Premier instructed that, because of the financial situation, maximum economy was to be exercised in all areas. The normal equipment replacement programme in the Survey Branch was reviewed and the purchase of a number of items was deferred. For example, of three theodolites budgeted to cost \$2,400, one only was procured, at a cost of \$836. The savings on the theodolites and levels alone exceeded \$2,000.

Lands and Surveys Department: Division 31, Item C4—Rent, Local Government and other Tenancy Charges on Properties leased for Government Purposes: Estimate \$305,000, Expenditure \$336,803.

Reason: Decisions taken by the Public Offices Committee to move Departments or renew leases involved higher rental payments than anticipated.

Lands and Surveys Department: Division 31, Item C9—Administration of Acts: Estimate \$7,000, Expenditure \$10,695.

Reason: The excess resulted from the necessity to remove some sixty whales which were stranded near Stanley. The work was carried out by the Circular Head Council at cost. The Department has responsibility for removal of carcasses (Local Government Act 1962, s. 536A) and a nominal provision of \$245 was included in the estimates. However, the cost in 1970-71 was \$4,654.

Department of Film Production: Division 32, Item C3—Maintenance of Building: Estimate \$2,000, Expenditure \$737.

Reason: This item included a provision for the conversion of the photo finishing room at 64 Brisbane Street to a dark room. The estimated cost including plumbing was \$1,040. On 14 May 1971, the Public Offices Committee was advised that it was proposed not to proceed with the alterations to dark room facilities at Brisbane Street, for reasons of economy, due to the belief that alternative accommodation will be allocated to the Department within a relatively short period of time. At the same time approval of the Committee was sought to expend approximately \$200 from Item C3 on additional office area for clerical staff. Approval to carry out this work was given, however due to prior commitments the Public Works Department were unable to commence the operation before 30 June 1971.

Department of Health Services: Division 39, Item C15—Payment of Fees for Patients Transferred to Mainland Hospitals: Estimate \$18,000, Expenditure, \$29,104.

Reason: This item covers payment of fees in respect of Tasmanian patients transferred to the Victorian Austin (Special cases) and Alfred (Heart cases) Hospitals. Under an arrangement with the Hospitals and Charities Commission of Victoria, accounts in respect of these patients are rendered to the Tasmanian Department at irregular intervals. The amount required in any one year is, of course, dependent upon the number of patients in the above hospitals. It will be appreciated that accurate estimation is very difficult because of the fluctuating nature of expenditure from year to year. An amount of \$18,000 was provided for 1970-71 on the basis of expenditure in 1969-70. However, additional funds of over \$11,000 were required in order to meet all accounts received.

Grants to Hospitals: Division 41, Item C23—Provision for Supplementary Grants: Estimate \$250,000, Expenditure \$616,068.

Reason: Due to the fact that some new wage and salary awards were pending at the time the Estimates for 1970-71 were being finalised an amount of \$250,000 was provided in order that grants to hospitals could be supplemented during the year. The grants originally allocated to the various hospitals did not include any-

thing for these wage increases. The impact of the awards together with the 6 per cent National Wage increase, was considerably greater than expected. The amount of \$250,000 was supplemented by additional funds of \$316,000. The actual cost of the new awards was greater than this total amount but some hospitals (either because of additional revenue receipts and/or savings on expenditure) were able to absorb some of the cost.

Grants to Hospitals: Division 41, Item C24—Purchase of Expendable Items of Equipment, Furniture, etc., for new facilities: Estimate \$25,000, Expenditure \$12,998.

Reason: This item covers the cost of expendable items of equipment for new hospitals, extensions to existing facilities, etc. The cost of the buildings and a large proportion of associated new equipment is met from Departmental Loan Funds. Certain items, such as blinds and curtains are met from this item. In accordance with an Audit Department ruling these items, because of the shorter life and expendable nature, should more properly be a charge against Revenue. Hence, the inclusion of this item. The requirements are difficult to accurately estimate. The exact timing of completion of the various projects, and thus the requirement of the equipment is difficult to gauge. It has been policy for a 'nominal' amount to be included in each year. In some years the amount may not be fully expended whereas in other years additional funds may be required.

St John's Park Hospital: Division 40, Item A2—Visiting Specialist Service including Sessional Payments: Estimate \$5,000, Expenditure \$2,664.

Reason: \$2,000 was provided for payments to specialists other than the Geriatrician, the Radiologist and the Chiropracist. Of this amount only \$40 was required, and there were smaller savings on payments to all three of the specialists mentioned above.

St John's Park Hospital: Division 40, Item C7—Transport of Patients to Day Centre: Estimate \$2,500, Expenditure \$1,310.

Reason: Savings on this item were due to the unanticipated slow growth in the number of out-patients treated in the Day Centre and the unexpected delays in inaugurating the Domiciliary Service. It was anticipated that a much more rapid development would occur with these new facilities and services.

Division of Tuberculosis: Division 42, Item C5—Provisions, Medicines, Medical Comforts and X-ray Expenses: Estimate \$15,500, Expenditure \$17,361.

Reason: Several new high cost drugs were introduced for the treatment of chronic patients. In addition, several dental nursing trainees had to be accommodated pending the completion of a hostel. This took longer than had been anticipated, with a consequential increase in the cost of provisions.

Mental Health Services Commission: Division 43, Item B9—Miscellaneous, including Administration of Acts: Estimate \$13,000, Expenditure \$7,422.

Reason: There was a saving of \$602 on administration of Acts. Expenses such as fees for attendance at various bodies and examinations by private practitioners fluctuate considerably from year to year. Only \$2,579 out of a provision of \$6,000 for research was spent. This was the first time the Commission had had funds for research, and planning and implementation of the programme were delayed. Miscellaneous expenditure totalled \$3,445, against the provisions of \$5,000.

Mental Health Services Commission: Division 43, Item B5—Provisions, Medicines and Incidental Expenses: Day Hospitals: Estimate \$10,000, Expenditure \$5,409.

Reason: The Commission had expected to take over the full running costs of Clare House Day Hospital. However, this did not eventuate and the Royal Hobart Hospital continued to meet a share of the costs.

Royal Derwent Hospital: Division 43, Item C6—Miscellaneous: Estimate \$4,300, Expenditure \$3,754.

Reason: With the introduction of pensions to patients the hospital had to pay the funeral expenses of only two patients who died without sufficient funds, as against eleven in the preceding year. Thus there was a saving of \$546 in the item.

Department of Agriculture: Division 19, Item B3—Power, Fuel, Cleaning and Laundry: Estimate \$85,000, Expenditure \$66,947.

Reason: Expenditure on electricity for the New Town Laboratories was \$15,000 below the estimate of \$27,820. Evidence taken indicated that heating and cooling plant installed is most unsatisfactory and is still not working properly, although the building was first occupied in March 1970.

At 30 June this matter was still being investigated and is expected to be the subject of a later report.

Department of Agriculture: Division 19, Item C2—Administration of Acts: Estimate \$78,000, Expenditure \$65,341.

Reason: \$4,469 was saved on disease and weed control in which expenditure depends upon incidence and spread in a given period. The remainder was saved in plant and animal quarantine work undertaken on behalf of the Commonwealth. The State is reimbursed for this cost. Estimates prepared by the Commonwealth included contingency provision for capital works, some of which were not completed in 1970-71.

Department of Agriculture: Division 19, Item C6—Compensation for Destruction of Diseased Animals under the provisions of the Stock Act and payment of freight, etc., on these animals (23 Geo. V. No. 54): Estimate \$4,000, Expenditure \$7,140.

Reason: Provision for the continuation of the programme for the control of Brucellosis, Johnes Disease and Tuberculosis was based on the incidence in 1969-70 of these diseases. However, greater numbers of infected animals were found in 1970-71, and increased market values also affected the level of compensation payable.

Sea Fisheries Division: Division 38, Item C4—Maintenance of Facilities for Fisherman: Estimate \$25,000, Expenditure \$8,628.

Reason: During 1970-71 these facilities were relatively free of storm damage and little repairs of this nature were necessary. In addition, two major maintenance projects were not completed. It was proposed that \$6,000 be spent on the training wall at Bridport to supplement the \$13,000 spent on this facility in 1969, however, the additional work was not carried out pending a decision on the construction of a new landing stage and dock outside the Brid River. The 1970-71 estimates also provided a sum of \$2,050 for major reconstruction of the Coles Bay Jetty. This work was deferred to 1971-72 when the Public Works gang had to be diverted to rectify flood damage on the East Coast.

Ministerial Party Room,
House of Assembly,
Hobart, 18 July 1972.

R. MATHER, Chairman.