



1957.

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA.

JOINT COMMITTEE OF PUBLIC ACCOUNTS.

THIRTY-FIFTH REPORT.

THE NORTHERN TERRITORY
ADMINISTRATION.

INTERIM REPORT.

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JOINT COMMITTEE OF PUBLIC ACCOUNTS

THIRD COMMITTEE

F.A. Bland, Esquire, M.P. (Chairman).

A.V. Thompson, Esquire, M.P. (Vice-Chairman).

Senator A.M. Benn	L.H. Barnard, Esquire, M.P.
Senator the Hon. H.S. Seward	J.F. Cope, Esquire, M.P.
Senator I.E. Wedgwood	F.J. Davis, Esquire, M.P.
	A.S. Hulme, Esquire, M.P.
	H.A. Leslie, Esquire, M.P.

The Senate appointed its Members of the Committee on 16th February, 1956 and the House of Representatives its Members on 22nd February, 1956.

DUTIES OF THE COMMITTEE

Section 8 of the Public Accounts Committee Act 1951 reads as follows :-

8. The duties of the Committee are -
- (a) to examine the accounts of the receipts and expenditure of the Commonwealth and each statement and report transmitted to the Houses of the Parliament by the Auditor-General in pursuance of sub-section (1.) of section fifty-three of the Audit Act 1901-1957;
 - (b) to report to both Houses of the Parliament, with such comment as it thinks fit, any items or matters in those accounts, statements and reports, or any circumstances connected with them, to which the Committee is of the opinion that the attention of the Parliament should be directed;
 - (c) to report to both Houses of the Parliament any alteration which the Committee thinks desirable in the form of the public accounts or in the method of keeping them, or in the mode of receipt, control, issue or payment of public moneys; and
 - (d) to inquire into any question in connexion with the public accounts which is referred to it by either House of the Parliament, and to report to that House upon that question,

and include such other duties as are assigned to the Committee by Joint Standing Orders approved by both Houses of the Parliament.

JOINT COMMITTEE OF PUBLIC ACCOUNTS

THIRTY-FIFTH REPORT

THE NORTHERN TERRITORY ADMINISTRATION

INTERIM REPORT

The Inquiry into the Northern Territory Administration ranks as one of the series of general investigations Your Committee have made from time to time into the accounting and related activities of the whole or part of a Commonwealth department. It differs, however, from those other inquiries by reason of the extensive range of the activities of the Administration we have had to examine, many of which are more usually performed by a State or a province rather than by a Commonwealth department.

2. Our decision to undertake the Inquiry was made in 1956 after consideration of the criticisms made by the Auditor-General in his annual reports to the Parliament on various aspects of the operations of the Northern Territory Administration, including stores and equipment, accounting procedures, internal check, hostels, electricity undertakings and Beswick Cattle Station.

3. We accordingly informed the Minister for Territories of our intention, and his Department supplied us with a number of basic documents dealing with the history, functions, organisation, staffing, financial arrangements and costs of the Northern Territory Administration, together with a series of supplementary submissions amplifying the main statements.

Exhibit
No. 35/2
et seq.

4. At our request the Auditor-General expanded the comments made in his reports and in doing so he informed us about other matters affecting the Administration that had more recently come to his notice.

Exhibit
No. 35/6.

5. In its Thirtieth Report, the Public Service Board discussed the conditions of the Public Service in the Northern Territory. In three informative statements supplied to us by the Board, we were told of its views on the situation in the Territory and of the things that had been done to correct or alleviate the unsatisfactory conditions under which the Northern Territory Administration in general, and public servants in particular, were working. We were later to receive ample confirmation of the influence these conditions had had upon the morale, efficiency and turnover of public service staff in the Northern Territory.

30th Report on the Commonwealth Public Service, tabled 20/4/55, pages 6 and 7.

Exhibits Nos. 35/1, 7 and 8.

6. We decided to open the Inquiry in Canberra with the idea of ascertaining:-

- (i) the view of the Department of Territories upon its relations with the Northern Territory Administration and the staff in the field; and
- (ii) the extent, if any, to which those relations affected the efficient and economic discharge of the operations of the Northern Territory Administration.

To that end Your Committee conducted public hearings on 5th, 6th, 8th, and 9th April, 1957, and obtained written and oral evidence from the following persons:-

- Mr. C.R. Lambert, O.B.E., Secretary, Department of Territories;
- Mr. C.E. Reseigh, Assistant Secretary (Finance), Department of Territories;
- Mr. R. Marsh, Assistant Secretary (Welfare and General Services), Department of Territories;
- Mr. D. Steele Craik, Director of Revenue and Research, Taxation Branch, Department of the Treasury;
- Mr. H.F. Yoxon, Assistant Director-General (Administration), Department of Works.

7. In July, Your Committee proceeded to the Northern Territory. Public hearings were conducted

in Darwin on 5th, 8th, 10th, 11th, 12th, 15th, 16th, 17th, 18th and 19th July, and written or oral evidence was obtained from the following persons from the Northern Territory Administration and other Commonwealth Departments represented in the Northern Territory. (Listed in order of appearance.)

His Honour the Administrator of the Northern Territory, Mr. J.C. Archer, O.B.E.;

Mr. J.C.D. McDonnell, Administrative Officer (Personnel Branch), Northern Territory Administration;

Mr. L.J. Murphy, Finance Officer (Administration Branch), Northern Territory Administration;

Mr. R.J. Withnall, M.L.C., Crown Law Officer, Attorney-General's Department;

Mr. H.F. Yoxon, Assistant Director-General, Department of Works, Melbourne;

Mr. D.W. Sullivan, Construction Manager, Department of Works, Northern Territory;

Mr. G.D.B. Maunder, Acting Director of Works, Northern Territory;

Mr. E.W.N. Oxlad, Principal Architect, Department of Works, Northern Territory;

Mr. R. Marsh, Assistant Secretary (Welfare and General Services), Department of Territories;

Mr. D.P. Lampe, Assistant Director of General Services, Northern Territory Administration;

Mr. H.C. Barclay, Director of Lands, Northern Territory Administration;

Mr. A.H. McLay, Assistant Supervisor of Education, Northern Territory Schools;

Mr. H.C. Giese, Director of Welfare, Northern Territory Administration;

Mr. C.F. Adams, Director of Mines, Northern Territory Administration;

Mr. L.A. Scott, Administrative Officer, Mines Branch, Northern Territory Administration;

Mr. R.N. Egen, Director of Water Use, Northern Territory Administration;

Mr. W.M. Curteis, Director of Plant Industry, Northern Territory Administration;

Dr. A.H. Humphry, Commonwealth Director of Health and Chief Medical Officer (Northern Territory Division) Commonwealth Department of Health;

Group Captain W.A.C. Dale, C.B.E., D.S.O., Director of Works and Buildings, Department of Air;

Wing Commander A.M. Harrison, O.B.E., Commanding Officer, No.5 Air Construction Squadron;

Mr. J.C. King, Acting Principal Engineer, Department of Works, Northern Territory.

8. Before proceeding to the Territory, Your Committee had invited through the press anyone, other than departmental representatives, who wished to place views before us to submit an outline of them in writing. There was no response to this invitation. At the opening of the proceedings in Darwin on 5th July the Chairman made reference to this and repeated the invitation but went on to explain the limited nature of the Inquiry. He said:-

".... the Committee emphasise that our Inquiry is of a limited character. We do not examine the wisdom or otherwise of government policy. At the same time, we are interested in the manner in which that policy is carried out. ...

In addition to this, and bearing it in mind, the Committee will inquire into the distribution of functions between the Branches of the Northern Territory Administration and the relationship of the Administration to other Commonwealth departments operating in the Territory. We will also examine the methods of keeping accounts for and the nature of expenditure upon the public utilities operating in the Territory, e.g. electricity supply, cold stores, hostels, water supply.

.... Those are the limits which we set ourselves. After all, we are an accounts committee, not a committee dealing with public administration. ..."

9. As a result of this invitation a number of private persons approached Your Committee and of these the following gave evidence before us:-

Mr. R.C. Ward, M.L.C., Barrister and Solicitor of the Supreme Court of the Northern Territory;

Mr. J.W. Lyons, Barrister and Solicitor of the Supreme Court of the Northern Territory;

Mr. L.L.D. Richardson, J.P., Mayor of Darwin and Building Contractor;

Mr. T.W. Steele, Secretary of the Northern Australian Workers' Union;

Mr. M.J. Moore, Chairman, Northern Territory Section, Administrative and Clerical Officers' Association.

10. We were assisted in our inquiries both in Canberra and in Darwin by representatives of the Audit Office, the Public Service Board and the Department of the Treasury. Mr. V.J.W. Skermer, Secretary and Chief Inspector, Audit Office, Mr. L.O. Brown, Assistant Commissioner, Public Service Board, and Mr. N. Jobson, Senior Finance Officer of the Department of the Treasury accompanied the Committee to Darwin.

11. The matters and activities investigated by us in the Northern Territory included:-

- (i) The organisation of the Government of the Territory including the working of the Northern Territory Legislative Council and of the recently created Darwin Municipal Council.
- (ii) The financial system of the Northern Territory including the framing of the Northern Territory Estimates, the collection of local revenues, the formulation of the capital works and services budget, and the internal audit.
- (iii) The organisation, staffing and accommodation of the Administration staff, including establishment strength, rates of remuneration, taxation, cost of living, office and private accommodation.
- (iv) A discussion of the departments outside the control of the Northern Territory Administration; including the Works Department, the Health Department, and the No.5 Air Construction Squadron.
- (v) The review of activities under the Northern Territory Administration, including:-

- (a) The General Services Branch, which is responsible for business undertakings, Housing, Hostels, etc.
- (b) Stores and Equipment.
- (c) The Welfare Branch, which deals with Aboriginal settlements, Beswick Cattle Station, Mission subsidies, etc.
- (d) Education.
- (e) Other Branches, which include Lands and Survey, Mines, Water Use, Agriculture, and Animal Industry.
- (f) Transport.

12. As a part of our investigations, Your Committee, on 6th, 7th, 9th, 13th and 14th July, carried out the following inspections:-

In the Vicinity of Darwin

Saturday, 6th July:

The Northern Territory Administration Transport depot situated at Vestey's Meat Works.
The Department of Works Cold Store.
The Northern Territory Administration Hostel in Peel Street.
The Stokes Hill Wharf and bulk handling yard.
The Fanny Bay Housing Settlement and the Nightcliff sub division.
The Bagot Aboriginal Settlement.
The Department of Works Store at the 2½ mile.
The Power House operated by the Department of Works.

Sunday, 7th July:

The partly constructed run-way at the Darwin Airport and auxiliary construction works.

Tuesday, 9th July:

The Manton River Dam.
The store, mess, and other facilities at Batchelor.
The open out and treatment plant at Rum Jungle.
The Territories Rice project and the Northern Territory Administration experimental rice farm at Humpty Doo.

In the Vicinity of Katherine

Saturday, 13th July:

The Katherine Police Station and Court House.
The C.S.I.R.O. Research Station.

Sunday, 14th July:

The Northern Territory Administration experimental farm.
The Maranboy Police Station.
The Beswick Aboriginal Settlement.
The Beswick Cattle Station.

On 4th July, Your Committee attended the inaugural meeting of the reconstituted Darwin Municipal Council.

13. On our return from Darwin we resumed our consideration of other inquiries that we had conducted and we remind the Parliament that this is the fourth Report which has been presented since our return. The Northern Territory Inquiry itself has involved the taking of 1,068 pages of evidence while 70 separate statements have been received from departments and from persons who appeared before us.

14. It will be clear from the foregoing recital (i) of the nature and extent of this inquiry, and (ii) of the other commitments of Your Committee, why we have found it impossible to complete a final report in time to present it to the Parliament before it rises

in December. We thought it desirable, therefore, to present to the Parliament, at this stage, an Interim Report setting out the scope and nature of our investigations.

On behalf of the Committee



F. A. BLAND
Chairman



R. G. Davey,
Secretary,

Joint Committee of
Public Accounts,
Parliament House,
Canberra.

28th November, 1957.