



The Parliament of the
Commonwealth of Australia

Joint Committee of
Public Accounts and Audit

Report 365

**Annual Report
1997-1998**

February 1999

The Parliament of the Commonwealth of Australia

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Chairman's Review

This year has been of historic significance for the Committee, reflected in the changes to its Act, its title and range of responsibilities.

Sweeping changes to the Commonwealth's financial management and accountability legislation, much of which was foreshadowed by the Public Accounts Committee in a series of reports tabled since 1994, have resulted in the Committee taking on an enhanced role as Audit Committee of the Parliament. As the Joint Committee of Public Accounts and Audit, the Committee stands as a mediator between the Auditor-General and executive government, and supports the independence of the Auditor-General on behalf of the Parliament.

In specific terms the Committee does this by reviewing the appointment of the Auditor-General and Independent Auditor and by considering and reporting on the budget estimates of the Australian National Audit Office. In its role as Audit Committee of the Parliament, the Committee invites and considers suggestions for performance audits from all Parliamentary Committees before advising the Auditor-General of the Parliament's audit priorities for the coming financial year.

The Committee has pursued a number of important matters in inquiries this year. The report on the Jindalee Operational Radar Network underlined the Committee's concerns at the Department of Defence's continued failure to reform fundamental contract management and risk management issues arising from complex, long term projects.

The Committee continued its work in support of the restructure and simplification of the *Income Tax Assessment Act 1936*, reviewing the third tranche of the legislation covering the capital gains tax provisions in the Advisory Report on the Tax Law Improvement Bill No. 2, 1997, tabled on 12 March 1998.

Taxation issues were also given thorough consideration by the Committee in its ground breaking exploration of the relevant issues arising from the burgeoning growth of Internet commerce, tabled on 24 June 1998 as, *Internet Commerce: To Buy or Not to Buy?*

The Committee's long standing interest in the issue of public sector administrative reform was reflected this year in the *Advisory Report on the Public Service Bill 1997* tabled on 29 September 1997. The Report was a unanimous one in the tradition of the Committee and produced practical suggestions for the amendment of the legislation, which were accepted by the Government. In addition, the four *Quarterly Reviews of Auditor General's Reports* in which a range of matters related to aspects of project management and contract management across agencies were an indication of the Committee's exercise of its scrutiny role with respect to executive government.

Bob Charles MP
Chairman

Membership of the Committee - 38th Parliament



Alex Somlyay, MP
(Chairman to 22 Oct 97)



Bob Charles, MP
(Chairman from
22 Oct 97)



Alan Griffin, MP
(Vice-Chairman)



Larry Anthony, MP



Hon Peter Baldwin, MP



Hon David Beddall, MP



Russell Broadbent, MP



Hon Janice Crosio, MP



Joel Fitzgibbon, MP



Petro Georgiou, MP



Hon John Sharp, MP



Sharman Stone, MP



Mark Vaile, MP



Senator Helen Coonan



Senator the Hon
Rosemary Crowley



Senator the Hon
John Faulkner



Senator the Hon
Brian Gibson, AM



Senator John Hogg



Senator Andrew Murray



Senator John Watson

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Highlights of the Year

11 August 1997 - the then Chairman, Alex Somlyay MP, addressed a Financial Management Forum at the Convention Centre Canberra on accrual financial management in Commonwealth agencies

28 August 1997 - the then Chairman, Alex Somlyay MP, addressed a PSMPC SES Breakfast Seminar on Parliamentary Committees and their influence on the development of Public Policy

2 September 1997 - tabling of *Report 352, Review of Auditor-General's Reports 1996-97 - Second Quarter*

11 September 1997 - the then Chairman, Alex Somlyay MP, addressed the Australian Petroleum Production and Exploration Association's Taxation and Accounting conference on the role of the Joint Committee of Public Accounts in tax and finance administration

29 September 1997 - tabling of *Report 353, An Advisory Report on the Public Service Bill 1997 and the Public Employment (Consequential and Transitional) Amendment Bill 1997*

13 November 1997 - the Vice-Chairman, Alan Griffin MP, delivered a speech to the ACT Congress of the Australian Society of Certified Practising Accountants on value adding in the Public Sector

25 November 1997 - tabling of *Report 354, Annual Report 1996-97*

25 November 1997 - tabling of *Report 355, Aboriginal Councils and Torres Strait Island Councils: Review of financial accountability requirements*

2 February 1998 - the Chairman, Bob Charles MP, gave a conference address on Accrual Accounting in the Commonwealth, Accrual Budgeting and the Public Service Bill

25 February 1998 - Senator John Watson delivered a speech on the Proposed Public Service Bill to a Best Practice in Government Symposium in Canberra

2 March 1998 - the Chairman, Bob Charles MP, addressed the South Pacific Regional Conference (SOPAC) of the Institute of Internal Auditors in Canberra

12 March 1998 - tabling of *Report 356, An Advisory Report on the Tax Law Improvement Bill (No. 2) 1997*

24 March 1998 - tabling of *Report 357, The Jindalee Operational Radar Network Project*

31 March 1998 - tabling of *Report 358, Review of Auditor-General's Reports 1996-97 - Third Quarter*

31 March 1998 - tabling of *Report 359, Review of Auditor-General's Reports 1996-97 - Fourth Quarter*

1 April 1998 - the Chairman, Bob Charles MP, gave an address on the *Auditor-General Act* and the role of the Joint Committee of Public Accounts and Audit to the Australian National Audit Office

29 April 1998 - the Chairman, Bob Charles MP, addressed a Canberra Conference on performance management on the proposed Public Service Bill as a Paradigm for Public Sector Management.

26 May 1998 - the Chairman, Bob Charles MP, tabled the Joint Committee of Public Accounts and Audit's report on the draft budget estimates of Australian National Audit Office. It was agreed with the executive that in subsequent years the report on the draft budget estimates would be tabled before the Treasurer's budget speech on budget day

3 June 1998 - the Chairman, Bob Charles MP, addressed a Public Sector Risk Management Conference on Parliamentary Committees' Views of Accountability and Risk Management in Commonwealth agencies

24 June 1998 - tabling of *Report 360, Internet Commerce – to buy or not to buy?*

25 June 1998 - tabling of *Report 361, Review of Auditor-General's Reports 1997-98 - First Quarter*

30 June 1998 - tabling of *Report 362, General and Specific Purpose Payments to the States*

The Committee tabled eleven reports in the financial year 1997-98. This section contains a summary of each report and briefly describes other Committee activities during the year.

Report 352, Review of Auditor-General's Reports 1996-97 Second Quarter

Report 352 reviews three of the 14 audit reports presented by the Auditor-General in the second quarter of 1996-97. The subjects of the three reports were:

- tax debt collection in the Australian Taxation Office;
- management of food provisioning in the Australian Defence Force (ADF); and
- workforce planning in the Australian Defence Force.

The JCPAA's report does not analyse in detail all of the findings and recommendations contained in these audit reports. It draws attention to the key evidence taken at the JCPAA's hearings, highlighting any commitments given by witnesses and, where appropriate, presenting the Committee's observations on the evidence received and any recommendations the Committee wishes to make.

Report 352 contains six recommendations, three in relation to tax debt collection, two on management of food provision in the ADF and one on workforce planning in the ADF.

A Finance Minute response on this report was received on 4 March 1998.

Report 353, An Advisory Report on the Public Service Bill 1997 and the Public Employment (Consequential and Transitional) Amendment Bill 1997

The Public Service Bill 1997 and the Public Employment (Consequential and Transitional) Amendment Bill 1997 were referred to the JCPA on 26 June 1997 for consideration and an advisory report to be presented to the House by 4 September (later amended to 29 September) 1997. This was the fourth occasion during the 38th Parliament on which the JCPA was asked to review Bills. On each occasion the JCPA was frustrated by the lack of time accorded to the Committee to conduct such a review.

The Public Service Bill was a significant piece of legislation which introduced new public service legislation after 75 years of the much amended 1922 Act, redefined the nature of public service legislation and embodied a new conceptual framework for public sector management.

While the JCPA supported the need for the 1922 Act to be replaced, and favoured simplification, modernisation and the more accessible format of the Bill, its review identified a number of areas where improvements could clearly be made. The Committee therefore made 20 recommendations, all of which were accepted by the Government. The Committee's recommendations included strengthening the APS values in the Bill and reference to merit as a fundamental APS principle, enhancing the scrutiny of agency workplace diversity programs and addressing mobility rights for parliamentary departments and the staff of members of parliament. The Report also emphasised the need for the legislation to enshrine the importance of frank, honest, accurate and timely advice from the APS. With respect to the streamlining of

APS review mechanisms, the Committee recommended that the merit protection commissioner retain separate statutory powers but continue to operate within the administrative structure of the Public Service Commission.

The subsequent Senate amendments to the Public Service Bill were not accepted by the House and the Bills lapsed with the dissolution of the Parliament.

Report 354, Annual Report of Activities 1997-98

Report 354 is a report on the Committee's activities in 1997-98. It contains information on reports tabled in 1997-98 and comments on inquiries current in that period.

Report 355, Aboriginal Councils and Torres Strait Island Councils: Review of financial accountability requirements

The inquiry arose from concerns about the financial administration of Aboriginal Councils and Torres Strait Island Councils over the past ten years. These concerns have been expressed by the Queensland Auditor-General and the Queensland Public Accounts Committee (QPAC). The QPAC had undertaken three previous inquiries into the matter.

Because Councils receive funding from both Commonwealth and Queensland jurisdictions—the majority of funds coming from the Aboriginal and Torres Strait Islander Commission (ATSIC) and the Queensland Department of Families, Youth and Community Care (DFYCC), the JCPA and the QPAC decided to take the unprecedented step of conducting a joint inquiry. Resolutions were adopted in both Parliaments to facilitate the conduct of joint hearings and receipt of submissions. *Report 355*—a joint report—was simultaneously tabled in both Parliaments.

The Committees visited most of the Aboriginal Councils and Torres Strait Councils during the course of the inquiry. Many of the communities serviced by these Councils are in remote areas and suffer the consequences of this isolation in the form of poor infrastructure provision, precarious lines of supply and difficulty in attracting and retaining suitably qualified accounting and administrative staff.

Agencies from both jurisdictions appeared before the Committees at several joint public hearings and discussed matters which were cross-jurisdictional in nature. Agencies were brought together to give evidence on the issues of application processes, accountability requirements, and assistance provision to Councils.

The Committees came jointly to the conclusion that the lead agencies in both jurisdictions, the ATSIC and the DFYCC, should commence negotiations to achieve standardised grant application and acquittal processes. The Committees also recommended that Council clerks provide copies of their monthly reports to Councils to all of their grant providers. This will facilitate closer, more timely monitoring of Council affairs, and assist in improving Council accountability.

The Committees considered some of the underlying reasons leading to the qualifications and disclaimers in many Council audited financial statements. The

Committees concluded that the expertise available to Councils is a critical factor in their ability to provide unqualified audited financial statements. In the Committees' view, assistance to Councils could be improved through better coordination by the agencies involved at both the strategic and field level.

The Committees made 19 recommendations and the Queensland Government responded on 22 May 1998 and a *Finance Minute* providing the Commonwealth response to administrative issues was received on 12 August 1998. Both responses indicated broad acceptance of the thrust of the Committee's recommendations.

As of 30 June 1998, the Commonwealth Government had yet to respond to the Committees' recommendations relating to policy matters.

Report 356, An Advisory Report on the Tax Law Improvement Bill (No. 2) 1997

This report presents the findings of the Committee's review of the Tax Law Improvement Bill (No. 2) 1997 (the Bill). The Bill contained the important capital gains tax provisions and was the third tranche of legislation designed to simplify and restructure the *Income Tax Assessment Act 1936* (the 1936 Act).

The 1936 Act is being progressively rewritten by the Tax Law Improvement Project (TLIP), a unit within the Australian Taxation Office (ATO). Previous tranches of the legislation were reviewed by the JCPA in 1996 and 1997 and were the subjects of *Report 345* and *Report 348*.

Because of its previous involvement in the rewrite process, the Committee was able to recognise recurrent themes in the evidence it received.

A major theme was the on-going frustration of stakeholders with the inability of TLIP to address issues of a small 'p' policy nature. The Committee notes that, although TLIP's mandate has not been broadened to encompass small policy issues, the Government has introduced a mechanism by which such issues may be addressed through consultation with the Assistant Treasurer.

Another theme, which appeared to have had a critical impact on the review related to the time available to review the Bill. Unfortunately the time allowed for stakeholders to respond to exposure drafts of the legislation was extremely limited, as was the time for the Committee to review the Bill after its introduction.

The Committee, like many of the stakeholders, consequently felt it was unable to review the legislation with the thoroughness it would have liked.

The Committee in reviewing the individual clauses of the Bill made a number of recommendations relating to policy issues outside TLIP's mandate, and to major technical issues which were sufficiently weighty to require substantial review. Such a review might be beyond TLIP's capacity to undertake, or be sufficiently broad in scope to impinge on policy matters.

The Committee also made a number of recommendations of a minor nature concerning matters which were not policy issues and were therefore clearly within TLIP's mandate to address.

The recommendations on specific provisions in the legislation were accepted by the Government but, as at the end of the financial year, the Government had not responded on the policy related recommendations.

Report 357, The Jindalee Operational Radar Network Project

This report presents the findings of the JCPAA's investigation of the management of the Jindalee Operational Radar Network (JORN) Project by the Department of Defence and the performance of the Telstra Corporation Ltd in its capacity as the prime contractor for the JORN Project.

In June 1991 Defence entered into a contract with Telstra to acquire a wide area surveillance capability based on an over the horizon radar technology which had been developed in Australia. The JORN Project was scheduled to be completed by mid 1997 but by then had fallen four years behind schedule and had incurred cost overruns of over \$600 million. The Committee was particularly concerned that, given that Telstra was a Commonwealth entity, any additional costs incurred by Telstra above the contract price were costs to the Commonwealth.

The Committee found deficiencies in almost every aspect of the JORN Project: in the process of selecting the prime contractor; in the supervision of the prime contractor by Defence; in the management of the project by Telstra; and in the performance of a key sub-contractor, GEC-Marconi.

In particular, significant problems were found to exist in project management. The Committee recommended that Defence put greater effort into ensuring that it obtains the best project managers, if necessary from overseas, for major acquisition projects and that only personnel with appropriate qualifications and experience be engaged on such projects. Defence should not be constrained to limiting personnel to Defence or Government staff but should bring in non-Defence Department experts on contract, where necessary.

Defence spends in the order of \$3 billion a year on major projects and it is therefore essential that Defence address project management shortcomings and establish procedures which ensure that high cost projects are completed within allocated budget and timeframes.

The Committee also made recommendations concerning the management of Intellectual Property.

Report 358, Review of Auditor-General's Reports 1996-97 Third Quarter

Report 358 reviews four of the seven audit reports presented by the Auditor-General in the third quarter of 1996-97. The subjects of the four reports were:

- client service in the Australian Taxation Office (ATO)
- customer service in the Department of Social Security (DSS);

- the recovery of the proceeds of crime; and
- the Army presence in the north (APIN).

The JCPAA's report does not analyse in detail all of the findings and recommendations contained in these audit reports. It draws attention to the key evidence taken at the JCPAA's hearings, highlighting any commitments given by witnesses and, where appropriate, presenting the Committee's observations on the evidence received and any recommendations the Committee wishes to make.

Report 358 contains three recommendations, one in relation to client service in the two audited agencies, one on the recovery of the proceeds of crime, and one in relation to APIN.

A Finance Minute response on this report had not been received as at 30 June 1998.

Report 359, Review of Auditor-General's Reports 1996-97 Fourth Quarter

Report 359 reviews two of the 12 audit reports presented by the Auditor-General in the fourth quarter of 1996-97. The subjects of the two reports were:

- Australian Defence Force health services; and
- Commonwealth natural resource and environment programs.

The JCPAA's report does not analyse in detail all of the findings and recommendations contained in these audit reports. It draws attention to the key evidence taken at the JCPAA's hearings, highlighting any commitments given by witnesses and, where appropriate, presenting the Committee's observations on the evidence received and any recommendations the Committee wishes to make.

Report 359 contains six recommendations, five in relation to ADF health services and one in relation to Natural Heritage Trust programs.

A Finance Minute response on this report had not been received as at 30 June 1998.

Report 360, Internet Commerce – To buy or not to buy?

Internet commerce offers new and challenging opportunities to advance international trade. It is essential that there be an effective domestic and international regulatory environment that will encourage the growth of internet commerce.

Report 360 focused on Australian small and medium enterprises, the operation of the customs screen free limit, the privacy regime, the administration of the taxation system, and the implications for Australia's tax base arising from the growth in internet commerce. The Australian Taxation Office (ATO) advised that there will not be any appreciable impact on tax collections in the next one to two years. Beyond this point it is difficult to make predictions.

In the final years of the 20th century, government and industry are just beginning to comprehend the dimensions and implications of internet commerce. In the next century, we will witness advances in both technology

and the way internet commerce is conducted. The question facing us is whether to 'buy' into these new ways of doing

business. This report has highlighted some of the challenges for government administration, in particular taxation issues, that will need close attention as internet commerce develops. The JCPAA will continue to monitor this field and return for another examination as it develops further.

The key issues and recommendations in the report include:

- the future of taxation sharing concepts such as source, residency and permanent establishment — the JCPAA is yet to be convinced that the US preference for residency principles is either in Australia's best interests as a taxation formula, or that it is an inevitable development;
- OECD countries should also critically review the applicability of existing taxation concepts, in particular source and residency, and consider how these concepts can be adapted to the internet environment;
- the Australian Treasury and the ATO should report on international developments concerning possible strategies for collecting goods and services tax on products and services ordered and delivered electronically;
- the customs duty and sales tax free limit should remain at \$50;
- the commercial entry thresholds for both postal and non-postal consignments should immediately be set at \$1000; and
- the Australian Government should introduce privacy legislation, with specific reference to information communications, to govern the use of personal information in the private sector.

Report 361, Review of Auditor-General's Reports 1997-98 First Quarter

Report 361 reviews two of the 10 audit reports presented by the Auditor-General in the first quarter of 1997-98. The subjects of the two reports were:

- performance management of Defence inventory; and
- aspects of corporate governance in the Australian Tourist Commission.

The JCPAA's report does not analyse in detail all of the findings and recommendations contained in these audit reports. It draws attention to the key evidence taken at the JCPAA's hearings, highlighting any commitments given by witnesses and, where appropriate, presenting the Committee's observations on the evidence received and any recommendations the Committee wishes to make.

Report 361 contains eight recommendations, four in relation to performance management of Defence inventory and four in relation to aspects of corporate governance in the Australian Tourist Commission.

A Finance Minute response on this report had not been received as at 30 June 1998.

Report 362, General and Specific Purpose Payments to the States

The Australian States and Territories are dependent on funding from the Commonwealth for a significant proportion of their expenditure. All Commonwealth

payments to the States and Territories are made as Specific Purpose Payments (SPPs) or General Purpose Payments (GPPs). The grants are contingent upon the fulfilment of a wide range of terms and conditions. The JCPAA was asked to report on conditions which may appropriately be attached to SPPs and GPPs.

From its examination of SPP program administrative arrangements, the Committee concluded that Commonwealth departments should draw upon the ideal features set out in this report when preparing specific conditions to be attached to individual SPPs under their administration.

The Committee examined the four conditions which currently apply to GPPs and concluded that there is little to be gained from attempting to prescribe a definitive list of specific conditions which might appropriately be applied to hypothetical future conditional GPP funding arrangements. Those conditions would need to be determined for each case.

The report also addresses conditions relating to the role of State Auditors-General. The Committee concluded that, in the interests of enhancing the public accountability of Commonwealth and State government agencies for SPP programs without compromising the statutory independence of State Auditors-General, it is important that responsibilities for the financial certification of SPP payments are not imposed on State Auditors-General.

Introduction

This section provides a brief description of the inquiries and other activities being conducted by the Committee as at 30 June 1998.

Review of Auditor-General's reports

As at 30 June 1998 the JCPAA had:

- finalised its review of audit reports presented in the second quarter of 1997-98 (see the description of JCPAA *Report 361* in Chapter 1 of this report); and
- completed public hearings as part of its review of second and third quarter audit reports.

An Advisory Report on the Delayed Provisions of the Tax Law Improvement Bill (No. 2) 1997

In *Report 356* the Committee recommended that several provisions of the Tax Law Improvement Bill (No. 2) 1997 be delayed because they had not been released sufficiently early to allow adequate scrutiny by the Committee. The provisions comprising a Subdivision and two Divisions were subsequently released for scrutiny on 1 April 1998.

The provisions concerned three areas of capital gains tax legislation:

- Subdivision 118-F—exemption for the disposal of small business assets where the proceeds are used for retirement;
- Division 123—capital gains tax roll-over relief where a small business disposes of an 'active asset' and acquires another active asset; and
- Division 138—the shifting of value between companies under common ownership.

The Committee expects to complete its review and table its findings in the 1998 Spring Session of Parliamentary sittings.

JCPAA Purpose, Objectives and Methods of Operation

Introduction

The Joint Committee of Public Accounts and Audit (JCPAA) is a committee of the Commonwealth Parliament. The Committee is established pursuant to the *Public Accounts and Audit Committee Act 1951* (the PAAC Act) and is empowered to scrutinise the monies spent by Commonwealth agencies from funds appropriated to them.

Purpose

The purpose of the JCPAA, is to hold Commonwealth agencies to account for the probity, efficiency and effectiveness with which they implement policy and use public monies, and to act as audit committee of the Parliament by supporting the independence of the Auditor-General on behalf of the Parliament.

Duties

The duties of the JCPAA are described in detail in sections 8 and 8A of the *Public Accounts and Audit Committee Act*. In general terms they are to:

- examine the financial affairs of authorities of the Commonwealth to which the Act applies;
- review all reports of the Auditor-General that are tabled in each house of the Parliament;
- consider the operations and resources of the Audit Office;
- approve or reject, the recommendation for appointment of Auditor-General or Independent Auditor; and
- increase parliamentary and public awareness of the financial and related operations of government.

Examining the Financial Affairs of Commonwealth Authorities

Pursuant to section 8(1)(a-b, f) of the PAAC Act, the Committee may examine the accounts of the receipts and expenditure of the Commonwealth and the financial affairs of authorities to which this Act applies. The Committee may determine to inquire into, and report on, any items or matters which it thinks should be drawn to the attention of the Parliament.

Reviewing Reports of the Auditor-General

A key element of the JCPAA 's accountability work is its statutory responsibility to examine and report on audit reports tabled in Parliament by the Auditor-General, pursuant to section 8(1)(c-e) of the PAAC Act.

Early in the 38th Parliament the Committee changed its review process. Under the new procedures the JCPAA selects reports of the Auditor-General which raise significant

JCPAA Purpose, Objectives and Methods of Operation

accountability issues for review at 'round table' public hearings. Witnesses from the ANAO and officials from each audited agency are examined at these hearings.

The purpose of the quarterly hearings is to allow the JCPAA to give immediate attention to recommendations of the Auditor-General, to enable matters at issue between ANAO and agencies under scrutiny to be raised, and responded to, in public. This process enables the Committee to make timely reports to Parliament on what further action, if any, needs to be taken by departments and agencies under review to protect the interests of the Commonwealth.

The adoption of the new procedures has facilitated more timely and effective parliamentary scrutiny of audit reports. It is already evident that the procedures have revitalised, and focused agency attention on, an integral part of the process by which Parliament holds the Executive to account for its stewardship of public monies.

Considering the Operations and Resources of the Audit Office

In its new role as the Audit Committee of the Parliament, the JCPAA has assumed additional responsibilities concerning the Audit Office. Under section 8(1)(g-i) of its Act, the Committee is required to consider the operations and resources of the Audit Office, including funding, staff and information technology. It is also required to consider reports of the Independent Auditor on operations of the Audit Office. The Committee's responsibilities extend to reporting to the Parliament on any issues arising from these considerations, on any other matter relating to the Auditor-General's functions and powers or on the performance of the Audit Office, as it sees fit.

The JCPAA is also required, under section 8(1)(j-l), to consider draft estimates for the Audit Office and the level of fees determined by the Auditor-General and to make recommendations to both Houses of Parliament and the Minister who administers the *Auditor-General Act 1997* on the draft estimates.

Pursuant to section 8(1)(m-n) of the PAAC Act, another new responsibility for the Committee arising out of its role as the Audit Committee is to determine the audit priorities of the Parliament and to advise the Auditor-General of those priorities. It must also determine the audit priorities of the Parliament for audits of the Audit Office and advise the Independent Auditor of those priorities.

Improving Public Awareness of Committee Activities

Information about the JCPAA is available on the Internet. The Committee's web site contains background information on the Committee and its members; details of current inquiries; advice on how to make submissions to the Committee and on appearing as witnesses at public hearings. Copies of recent JCPAA reports are published on the Internet. The Committee's web site address is:

<http://www.aph.gov/house/committe/jpaa/index.htm>

In addition, members of the public can direct submissions and requests for information through electronic mail. The committee's e-mail address is:

jcpa@aph.gov.au

How the Committee Operates

Conduct of Inquiries

The Committee normally advertises its inquiries in the national media and on the Internet and invites interested individuals and organisations to make written submissions. Oral evidence is taken at public hearings (although in certain circumstances witnesses may request that evidence be given in camera). The majority of hearings are open to the public and interested parties can obtain verbatim transcripts of the public hearings free of charge or access them on the Internet.

The Committee presents the findings of its inquiries in reports which are tabled in both houses of Parliament. Copies are distributed to all witnesses and Commonwealth agencies with a responsibility for matters raised in the reports. The reports are also available to the public through the Commonwealth Bookshop and the Internet.

Government Responses to Reports

Government responses to reports of the Committee are made either by means of a Finance Minute (where the Committee's recommendations address administrative matters) or by means of a Government response (where the Committee has made policy recommendations).

A Finance Minute is usually received by the committee within six months of the tabling of a report. If the Committee is dissatisfied with the response to its recommendations in the Finance Minute, it may decide to re-open its inquiry.

When the Committee makes recommendations on policy, a separate Government response is prepared by the responsible Minister. Such Government responses are usually tabled in Parliament by the Minister.

The Committee Secretariat

The Committee is supported by a full time secretariat. Additional advice relating to particular inquiries may be obtained from observers from the Department of Finance and the Australian National Audit Office. From time to time officials from Government departments are seconded to the secretariat. In addition, the Committee may employ consultants to provide specialist advice.

General Business of the Full Committee

Membership (as at 30 June 1998)

Bob Charles, MP (Chairman)
Alan Griffin, MP (Vice-Chairman)
Larry Anthony, MP
Hon David Beddall, MP
Russell Broadbent, MP
Senator Helen Coonan
Hon Janice Crosio, MBE, MP
Senator the Hon Rosemary Crowley
Joel Fitzgibbon, MP
Petro Georgiou, MP
Senator the Hon Brian Gibson, AM
Senator John Hogg
Senator Andrew Murray
Hon John Sharp, MP
Sharman Stone, MP
Senator John Watson

Public Hearings in 1997-98: 0
Private Meetings in 1997-98: 21

Review of Auditor-General's Reports

Membership

Alex Somlyay, MP (Chairman)¹
Bob Charles, MP (Chairman)²
Alan Griffin, MP (Vice-Chairman)
Hon David Beddall, MP
Russell Broadbent, MP
Senator Helen Coonan
Hon Janice Crosio, MBE, MP
Senator the Hon Rosemary Crowley
Petro Georgiou, MP
Senator the Hon Brian Gibson, AM
Senator John Hogg
Senator Andrew Murray
Sharman Stone, MP
Mr Mark Vaile, MP³

Public Hearings in 1997-98: 4
Private Meetings in 1997-98: 11

An Advisory Report on the Public Service Bill 1997 and the Public Employment (Consequential and Transitional) Amendment Bill 1997

Membership

Alex Somlyay, MP (Chairman)
Alan Griffin, MP (Vice-Chairman)
Hon David Beddall, MP
Russell Broadbent, MP
Senator Helen Coonan
Senator the Hon John Faulkner⁴
Joel Fitzgibbon, MP
Petro Georgiou, MP
Senator the Hon Brian Gibson, AM
Senator John Hogg

Public Hearings in 1997-98: 5
Private Meetings in 1997-98: 7

Aboriginal Councils and Torres Strait Island Councils: Review of financial accountability requirements

Membership

Alex Somlyay, MP (Chairman)
Bob Charles, MP (Chairman)
Alan Griffin, MP (Vice-Chairman)
Larry Anthony, MP
Hon David Beddall, MP
Senator Helen Coonan
Senator the Hon Brian Gibson, AM
Senator John Hogg
Sharman Stone, MP

Public Hearings in 1997-98: 2
Private Meetings in 1997-98: 5

¹ Discharged 22 October 1997
² Appointed 22 October 1997
³ Discharged 25 November 1997
⁴ Discharged 18 November 1997

Committee Meetings and Hearings in 1997-98

An Advisory Report on the Tax Law Improvement Bill (No.2) 1997

Membership

Bob Charles, MP (Chairman)
 Alan Griffin, MP (Vice-Chairman)
 Hon David Beddall, MP
 Senator the Hon Brian Gibson, AM
 Senator John Watson

Public Hearings in 1997-98: 3
 Private Meetings in 1997-98: 5

The Jindalee Operational Radar Network Project

Membership

Alex Somlyay, MP (Chairman)
 Bob Charles, MP (Chairman)
 Alan Griffin, MP (Vice-Chairman)
 Hon David Beddall, MP
 Mr Russell Broadbent, MP
 Senator the Hon Rosemary Crowley
 Senator the Hon Brian Gibson, AM
 Petro Georgiou, MP
 Sharman Stone, MP

Public Hearings in 1997-98: 0
 Private Meetings in 1997-98: 5

General and Specific Purpose Payments to the States

Membership

Bob Charles, MP (Chairman)
 Alan Griffin, MP (Vice-Chairman)
 Hon David Beddall, MP
 Hon Janice Crosio, MBE, MP
 Petro Georgiou, MP
 Senator Andrew Murray

Public Hearings in 1997-98: 0
 Private Meetings in 1997-98: 4

Internet Commerce - To buy or not to buy?

Membership

Bob Charles, MP (Chairman)
 Alan Griffin, MP (Vice-Chairman)
 Larry Anthony, MP
 Hon David Beddall, MP
 Senator Helen Coonan
 Hon Janice Crosio, MBE, MP
 Senator the Hon Rosemary Crowley
 Mr Joel Fitzgibbon, MP
 Senator John Hogg
 Senator John Watson

Public Hearings in 1997-98: 8
 Private Meetings in 1997-98: 7

Committee Expenses during 1997-98

Although the Committee is a statutory body, it does not receive a separate appropriation. The Committee is funded from the appropriation made to the Department of the House of Representatives. The Committee's annual budget for administrative and staff salary costs is a component of Program 2 (Committee Support) in the Department of the House of Representatives.

The Committee's administrative expenses for 1997-98 were \$93,865. This included expenditure on: advertising; catering; consultants; conference fees for committee members and staff; publishing; travel and accommodation costs for staff; and miscellaneous expenditure. The Committee operated within its administrative budget for the financial year.

The Chairman of the Committee received an allowance of \$13,074 in recognition of the responsibilities of the position. The amount of the allowance is set by the Remuneration Tribunal and paid by the Department of the House of Representatives pursuant to the *Remuneration and Allowances Act 1990*.