
The Parliament of the Commonwealth of Australia

Report 375

Annual Report 1998-1999

Joint Committee of Public Accounts and Audit

April 2000
Canberra

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Chairman's Foreword

This financial year saw the consolidation of the Joint Committee of Public Accounts and Audit's role as the Audit Committee of the Parliament with its new responsibilities under the *Auditor-General Act*, 1997 coming into effect from the first of January 1998.

The Committee has long supported the concept of the Auditor-General being an independent officer of the Parliament. In 1996 it tabled a report entitled *Guarding the Independence of the Auditor-General* which recommended legislative guarantees of audit independence for the Auditor-General and an extension of the Auditor's mandate to include performance audits of Government Business Enterprises. The report also recommended an enhanced role for the Committee in the appointment of the Auditor-General and Independent Auditor and in determining the level of appropriations for the Australian National Audit Office. The Committee's recommendations were incorporated into the present legislation.

On 4 February 1999 the Committee exercised its review power to approve the appointment of an Independent Auditor for the Commonwealth by holding a public hearing to consider the suitability of the Government's nominee for the position. By means of this approval process the Committee sought assurances that the nominee was suitably qualified for the position, whether there was any existing or potential conflict of interest, the extent of the nominee's experience with audits of Commonwealth agencies, and of the resources available to undertake such audits. After examining the nominee, Mr Michael Coleman of the accounting firm KPMG, the Committee affirmed its approval of the appointment.

The Committee also considered the draft budget estimates of the Australian National Audit Office by means of a slightly revised process. The Committee sought and obtained the agreement of the Minister for Finance and Administration to table its Report on the draft estimates before the Budget was brought down on 11 May 1999.

Inquiry Highlights

Committee reports tabled during the 1998-99 financial year included those on the *New Submarines Project of the Department of Defence*, on *Asset Management by Commonwealth Agencies* and on *Australian Government Procurement*. In addition two review reports of hearings on Auditor-General Reports for the second and third Quarters of 1997-98 were tabled.

The Committee was invited to carry out an inspection of one of the Collins Class Submarines by the Managing Director of the Australian Submarine Corporation (ASC) Mr Hans Ohff. The inspection took place on the 28 April 1999. In addition, I was invited to sail with the *Dechaineux* on the 28-29 April 1999. I was able to observe at first hand the operations of the submarine and to talk at length with the officers, crew and ASC personnel.

In its report on the Collins Class submarine project the Committee found that the undoubtedly significant engineering achievement which the project represented had been compromised by Defence's management of the contracts to build the submarines.

The report was highly critical of continuing delays affecting the delivery of the integrated combat systems which together with the already substantial delays in commissioning the submarines for service has had detrimental effects on submarine force structure, preparedness and morale. The Committee considered that continued monitoring by Defence of the estimated cost to complete and the payment of funds only on earned value are critical to the outcome of this and other Defence projects. The Committee is maintaining a watching brief on this issue.

In its review of the management of Commonwealth assets since the reform of the Commonwealth's financial management framework devolved this responsibility to agencies, the Committee found that a cultural change is needed for public servants to better appreciate the value of the assets they manage. Such change should, in the Committee's view, be actively promoted by agency chief executives, as well as by the Department of Finance and Administration through an asset management forum for the sharing of expertise.

The issue of the management of Commonwealth Government purchasing is the subject of another of the Committee's inquiries for the year. Like asset management, procurement is another function which has been devolved to agencies. The Committee found that the rate of devolution in recent years had resulted in inconsistent service delivery, and in a loss of oversight and coordination of purchasing at the whole of government level.

Recent Committee inquiries into public service agencies have demonstrated shortcomings with respect to contract management. Such findings are significant in an environment where many government services have been subject to commercial contestability and contracting out and in which responsibility for successful risk management has been devolved to agency heads. The Committee has embarked on an inquiry into contract management in the Australian Public Service in an attempt to identify systemic problems in contract administration and to develop better practice standards which can be applied across agencies.

The biennial conference of the Australasian Council of Public Accounts Committees (ACPAC) held in Fremantle during 22-23 February 1999 provided the JCPAA with the opportunity to brief members of public accounts committees from the States, Territories, New Zealand and Papua New Guinea, on the range of its new responsibilities under the amended Public Accounts and Audit Act. I was elected Chairman of ACPAC for the years 2000-01. As Chairman I intend to promote the idea of an expanded forum in the Asia/Pacific which will facilitate mechanisms for good governance and public accountability throughout the region.

Bob Charles MP
Chairman

Membership of the Committee - 39th Parliament¹



Bob Charles MP
Chairman



David Cox MP
Vice Chairman



Kevin Andrews MP



Mal Brough MP



Senator Helen
Coonan



Senator the Hon John
Faulkner



Petro Georgiou MP



Senator the Hon
Brian Gibson AM



Julia Gillard MP



Senator John Hogg



Senator Andrew
Murray



Tanya Plibersek MP



The Hon Alex
Somlyay MP



Stuart St Clair MP



Senator John Watson

¹ The JCPAA Committee of the 39th Parliament commenced on 10 December 1998. Members of the JCPAA of the 38th Parliament between 1 July 1998 - 31 August 1998 were: Bob Charles MP (Chairman), the Hon Larry Anthony MP, the Hon David Beddall MP, Russell Broadbent MP, the Hon Janet Crosio MBE MP, Joel Fitzgibbon MP, Petro Georgiou MP, Alan Griffin MP (Vice Chairman), the Hon John Sharp MP, the Hon Sharman Stone MP, Senator Helen Coonan, Senator Rosemary Crowley, Senator the Hon Brian Gibson AM, Senator John Hogg, Senator Andrew Murray, Senator John Watson.

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Highlights of the Year

15 July 1998 – tabling of *Report 363, Asset Management by Commonwealth Agencies*.

27 August 1998 – Senator the Hon Brian Gibson addressed a conference on *Implementing Accrual and Output-Based Budgeting*, in Canberra.

31 August - 9 November 1998 – prorogation of Parliament.

21 December 1998 – tabling of *Report 364, An Advisory Report on the Delayed Provisions of the Tax Law Improvement Bill, (No. 2) 1997*.

4 February 1999 – a Public Hearing was held in Sydney to consider the appointment of the Independent Auditor.

22 February 1999 – the Chairman, Bob Charles MP, addressed the *1999 Conference of the Australasian Council of Public Accounts Committee*.

11 March 1999 – tabling of *Report 365, Annual Report 1997-1998*.

30 March 1999 – tabling of *Report 366, Review of Auditor General's Reports 1997-98, Second Quarter*.

30 March 1999 – tabling of *Report 367, Review of Auditor General's Reports 1997-98, Third Quarter*.

28 - 29 April 1999 – The Committee was invited to carry out an inspection of one of the Collins Class Submarines by the Managing Director of the Australian Submarine Corporation (ASC) Mr Hans Ohff. In addition, the Chairman was invited to sail on the Dechaineux on the 28-29 April 1999.

11 May 1999 – JCPAA tabled a report on the draft budget estimates for the Australian National Audit Office for 1999-2000.

9 June 1999 – tabling of *Report 368, Review of Audit Report No. 34, 1997-98 New Submarines Project Department of Defence*.

30 June 1999 – tabling of *Report 369, Australian Government Procurement*.

Chapter 1

Summary of Reports Tabled and Other Activities

The Committee tabled seven reports in the financial year 1998-99. This section contains a summary of each report and briefly describes other Committee activities during the year.

One of the statutory duties of the Joint Committee of Public Accounts and Audit (JCPAA) is to scrutinise all reports presented by the Auditor-General and to report the results of the Committee's findings to Parliament. These review reports are included below in the summary of reports tabled during the financial year.

Report 363, Asset Management by Commonwealth Agencies

The review of asset management arose from two performance audits by the Auditor-General of the asset management performance of Commonwealth agencies which were tabled in 1996 and 1998.

Physical and intangible assets held by the Commonwealth are valued at \$32.0 billion, excluding assets held by government business enterprises and Defence military. An estimate presented to the Committee of the potential savings arising from improved asset management indicated a possible capital return of some \$3.5 billion and annual savings of some \$200 million. These figures show, therefore, that a small percentage gain in asset management would result in substantial savings.

The Committee reviewed the current asset management guidelines available to agencies, policy guidance from the Department of Finance and Administration (DoFA) and better practice guidelines provided by the Australian National Audit Office (ANAO).

The Committee considered that the degree of guidance provided was adequate and appropriate, but that there would be value in agencies sharing the knowledge and skills they had gained. The Committee recommended the creation of an asset management forum, jointly convened by DoFA and the ANAO, to meet regularly to exchange information on asset management issues.

The Committee noted the Auditor-General's conclusion that further progress in asset management performance by agencies was possible and considered that a challenge for many agencies was one of raising awareness of the importance of asset management.

The cultural change that was needed would be promoted by agency senior management embracing the concepts of better asset management. To encourage this, the Committee recommended that performance evaluation of agency senior managers include reference as to how efficiently and effectively assets under their control were managed.

The Committee's third and concluding recommendation was that agency annual reporting guidelines be amended to require inclusion of information in annual reports demonstrating efficient and effective asset management performance.

On the 11 February 1999, a Finance Minute was received by the secretariat, providing responses to the three recommendations in the report. All three recommendations were supported. The first recommendation regarding convening an Asset Management Forum was supported in principle, and currently DoFA is convening a number of accrual budgeting forums. The second recommendation regarding the measurement of senior management asset management was supported. The third recommendation regarding annual report guidelines was supported and is currently being reviewed by the appropriate departments.

Report 364, An Advisory Report on the Delayed Provisions of the Tax Law Improvement Bill, (No. 2) 1997

The report arose from the Committee's review of the *Tax Law Improvement Bill, (No.2) 1997* introduced into the House of Representatives in November 1997 and subsequently referred to the Committee.

Report 348, tabled by the Committee in March 1998 noted that two Divisions and a Subdivision had not been released sufficiently early to allow adequate scrutiny. The Committee recommended that these provisions be delayed pending further review. The Committee's recommendation was agreed to and the provisions were withdrawn.

The provisions reviewed in *Report 364* concern three areas of capital gains tax (CGT) legislation: exemption for the disposal of small business assets where the proceeds are used for retirement; CGT roll-over relief where a small business disposes of an 'active asset' and acquires another active asset; and the shifting of value between companies under common ownership.

The Committee had recommended in *Report 348* that any unintended consequences of the legislation be corrected retrospectively. The Committee followed up this issue, due to concerns raised by stakeholders, by recommending the creation of a publicly available register of unintended consequences. The register would include information about the impact of an unintended consequence and any steps being taken to rectify the matter.

The Committee also discussed various policy and technical issues arising from the provisions and made a number of recommendations.

The Committee agreed with stakeholder concerns about the breadth of clauses affecting discretionary trusts and recommended the provisions be re-examined to determine whether their scope could be made more appropriate and potential compliance difficulties be overcome.

The Committee also supported a proposal from the Tax Law Improvement Project (TLIP) concerning a minor policy issue arising from proposed Division 123. TLIP proposed to alter the rollover relief provisions to overcome possible taxpayer confusion about the different treatment of depreciable and other assets. The Committee considered TLIP's proposal to be within its mandate because it would

simplify operation of the law, and reduce compliance and administration costs. The proposal was also likely to have minimal impact on the revenue.

No Executive Minute or Government Response on this report had been received as at 30 June 1999. However, on the 8 March 1999 the secretariat was informed that the Government's formal response to the recommendations would be covered by the implementation of *A New Tax System (ANTS)*.

Report 365, Annual Report 1997-1998

Report 365 is a report on the Committee's activities in 1997-98. It contains information on reports tabled in 1997-98 and comments on current inquiries in the 1997-98 financial year.

Report 366, Review of Auditor General's Reports 1997-98, Second Quarter

Report 366 reviews two of the twenty audit reports presented by the Auditor-General in the second quarter of 1997-98. The subjects of the two reports are:

- Equity in employment in the Australian Public Service; and
- Matters relevant to a contract with South Pacific Cruise Lines Ltd.

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 366 contains four recommendations, two in relation to reporting on equity to the Government and the Parliament and two in relation to agency expenditure of Budget appropriations and risk assessments of suppliers.

No Executive Minute or Government Response on this report had been received as at 30 June 1999. However, the following subsequent advice was received prior to printing.

On the 19 October 1999 a Government Response was received in relation to the four recommendations that were made in Report 366. All four recommendations were accepted.

Report 367, Review of Auditor General's Reports 1997-98, Third Quarter

Report 367 reviews three of the nine audit reports presented by the Auditor-General in the third quarter of 1998-99. The selected reports were:

- *Audit Report No. 35, An inquiry into DEETYA International Services (DIS, Department of Employment, Education, Training and Youth Affairs);*
- *Audit Report No. 38, An inquiry into the sale of Brisbane, Melbourne and Perth Airports;*
- *Audit Report No. 39, An inquiry into the Child Support Agency (CSA).*

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 367 contains four recommendations. One recommendation was to assess the effectiveness of the cost recovery operational model for DEETYA. Three recommendations were made in relation to the Child Support Agency in terms of simplifying letters and publications, commissioning a consultant to undertake regular client surveys and lastly to ensure that equitable outcomes are delivered.

No Executive Minute or Government Response on this report had been received as at 30 June 1999. However, the following subsequent advice was received prior to printing.

On the 14 October 1999 the secretariat received an Executive Minute that accepted all four recommendations made in the report. The first recommendation supported was in relation to a follow-up audit of the international operations of DEETYA. The ANAO advised that the follow-up audit should be completed by June 2000. The other three recommendations were accepted and the Child Support Agency advised that the recommendations have already been implemented.

Report 368, Review of Audit Report No. 34, 1997-98 New Submarines Project Department of Defence

This report presents the findings of the JCPAA's examination of the management by the Department of Defence of the Collins class submarine project.

The Department of Defence's \$5.05 billion new submarine project commenced in 1982 and involved the design and construction of six Collins class submarines. The major part of the contract was the \$4.38 billion prime contract with Australian Submarine Corporation Pty Ltd which in turn had subcontractors.

The Committee found that there was a far greater reduction in operational capability than anticipated at the start of the project, and concomitant problems with training and morale.

The combat system did not function as an integrated system with the result that the submarines' current combat capability falls below that planned.

There are as yet other unresolved design and system problems and, while there is optimism that these will be overcome, the Committee found that the Commonwealth remained exposed to significant areas of risk while the submarines remain less than fully operational.

The Committee was concerned about the expenditure of 95 per cent of the project funds, when a substantial proportion of outstanding commitments remained to be fulfilled under the contract. The Committee considered that the risks in the project had not been handled as well as they might have been, and agreed with the ANAO's criticisms of aspects of the Project Office's management of quality assurance issues and project progress monitoring.

The Committee made seven recommendations, including a recommendation in relation to access to contractors' premises by the Auditor-General.

No Executive Minute or Government Response on this report had been received as at 30 June 1999. However, the following subsequent advice was received prior to printing.

On the 26 November an Executive Minute was received that accepted six of the seven recommendations. One of the recommendations was considered to be a matter of policy and therefore was to be addressed by the Minister for Finance and Administration.

Report 369, Australian Government Procurement

Government procurement can have a significant impact on the domestic economy through industry development and promoting international competitiveness. It is essential that the purchasing power of the Australian Government is harnessed so as to maximise the opportunities for Australian industry.

In 1997-98 the value of purchasing by Commonwealth Budget funded agencies was \$8.8 billion, excluding purchases made by government business enterprises. Telstra, for example, spent \$8.5 billion on goods and services in 1997-98. It is estimated that the three tiers of government, local, state and Commonwealth, between them spend around \$45 billion a year on goods and services.

The decisions to purchase from Australian suppliers can impact on the Australian economy by influencing employment, taxation revenue, technological development, and ultimately Australia's balance of trade.

Government procurement has been the subject of a number of Parliamentary inquiries. The last major inquiry in 1994 found that the opportunities which Commonwealth procurement should provide for Australian industry development were not being fully grasped. The major objective of the Committee was to assess the performance of government agencies in managing their procurement function, and, in particular, their effectiveness in maximising opportunities for Australian industry.

The Committee found that Commonwealth Government procurement has improved since 1994. Anecdotal evidence suggests that the culture and attitude of purchasing officers has improved, but there are still areas of government procurement that need further improvement.

The rate of devolution in recent years has resulted in inconsistent service delivery, and a loss of oversight and coordination at the whole of government level. To address this situation, the Committee has recommended that the Department of Finance and Administration (DoFA) administer an accreditation system to assess the performance of individual agencies. The Office of Small Business should, with DoFA, develop future versions of the Commonwealth Procurement Guidelines and expand its oversight role in relation to the needs of small business.

In raising the prominence of purchasing, we have called for Chief Executive Officers (CEOs) of departments and agencies to take a greater role in managing their purchasing responsibilities. In addition, the Committee will seek a higher level of accountability from CEOs.

Government agencies in managing their industry development objectives should seek to balance the often competing principles of value for money, open and effective competition, and Australian industry development. The Committee does not support preferential treatment but advises agencies that where Australian-New Zealand products are equal to overseas items in terms of value for money and other principles in the Commonwealth Procurement Guidelines, then the ANZ products should be purchased.

The Committee considers that the recommendations and findings made in this report will help to improve the quality and accountability of government procurement. At the same time, the Committee emphasises that there is merit in Parliamentary Committees conducting follow-up inquiries to check on the implementation of findings and recommendations made in previous inquiries. The Committee will continue to use this process as an additional tool to scrutinise executive government.

No Executive Minute or Government Response on this report had been received as at 30 June 1999. However, the following subsequent advice was received prior to printing.

On the 26 November 1999, a Government Response was received in relation to eleven of the twelve recommendations. All recommendations were noted or agreed to except for recommendation one and two.

On the 5 January 2000 an Executive Minute was received and noted in relation to recommendation nine.

During the 1998-99 financial year the JCPAA tabled seven reports. A total of thirty recommendations were made by the Committee and twenty-seven of these recommendations were accepted or noted.

Chapter 2

Work in Progress

Introduction

This section provides a brief description of the inquiries and other activities of the Committee that were active as at 30 June 1999.

Review of Auditor-General's reports

As at 30 June 1999 the JCPAA was working on:

- Auditor-General's Reports 1997-98, Fourth Quarter
⇒ Completed public hearing as part of the review
- Auditor-General's Reports 1998-99, First and Second Quarter
⇒ Completed public hearing as part of the review
- Auditor-General's Reports 1998-99, Third and Fourth Quarter
⇒ Report selected by the Committee for review.

Inquiry into Community Education and Information Programme

- Public hearings completed.

Inquiry into Corporate Governance and Accountability Arrangements for Commonwealth Authorities and Business Enterprises

- Terms of reference had been advertised.

Review of Financial Management and Accountability Act 1997 and the Commonwealth Authorities and Companies Act 1997

- Terms of reference confirmed for this inquiry.

Appendix 1

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 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.

Consideration of JCPAA reports

In all cases, the Chairman of the JCPAA refers reports of the Committee to the Minister for Finance and Administration once they have been tabled in the Parliament. The Minister for Finance and Administration then refers the matter(s) on to the responsible Minister(s) for attention. The Department of Finance and Administration may need to consult with relevant agency(s) in the first instance.

Government Responses to reports

JCPAA recommendations that involve matter of Government 'policy' are addressed by way of a separate Government Response through the responsible Minister(s). The Government has given a commitment to provide a response within three months from the date of tabling the report.

An *Executive Minute* is the means by which responses are provided to 'administrative' matters raised in a report of the JCPAA. This replaces the *Finance Minute* that was prepared by the Department of Finance and Administration for all Committee reports. The response to administrative matters (the *Executive Minute*) is expected to be provided to the JCPAA, by way of the relevant Minister, within six months of tabling the report. The Chairman of the JCPAA tables the *Executive Minute* in the Parliament as soon as practicable after it is received.

The JCPAA reports that are reviews of Auditor-General reports, generally make recommendations on administrative matters which stem from unrelated Auditor-General reports affecting different agencies. For these reports, agencies should respond individually to the Committee by an Executive Minute, through their responsible Minister.

JCPAA reports on other inquiries will require a single coordinated response on administrative matters.

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.

Appendix 2

Committee Meetings and Hearings in 1998-99 ²

General Business of the Full Committee - 39th Parliament

Membership

Bob Charles MP (Chairman)
David Cox MP (Vice-Chairman)
Mal Brough MP
Senator Helen Coonan
Senator the Hon John Faulkner AM
Petro Georgiou MP
Senator the Hon Brian Gibson MP
Julia Gillard MP
Alan Griffin MP
Senator John Hogg
Senator Andrew Murray
Tanya Plibersek MP
The Hon Alex Somlyay MP
Stuart St Clair MP
Senator John Watson

Public Hearings in 1998-99: 0
Private Meetings in 1998-99: 11

General Business of the Full Committee - 38th Parliament

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
Joel Fitzgibbon MP
Senator the Hon Brian Gibson AM
Petro Georgiou MP
Senator John Hogg
Senator Andrew Murray
The Hon Janet Sharp MP
Sharman Stone MP
Senator John Watson

Public Hearings in 1998-99: 0
Private Meetings in 1998-99: 1

Auditor-General's Reports Sectional Committee - 39th Parliament

Membership

Bob Charles MP (Chairman)
David Cox MP (Vice-Chairman)
Mal Brough MP
Petro Georgiou MP
Senator the Hon Brian Gibson AM
Julia Gillard MP
Alan Griffin MP
The Hon Alex Somlyay MP
Senator Andrew Murray

Public Hearings in 1998-99: 4
Private Meetings in 1998-99: 6

Auditor-General's Reports Sectional Committee - 38th Parliament

Membership

Bob Charles MP (Chairman)
Alan Griffin MP (Vice-Chairman)
The Hon David Beddall MP
Russell Broadbent MP
Senator Helen Coonan
The Hon Janet 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

Public Hearings in 1998-99: 0
Private Meetings in 1998-99: 0

Asset Management by Commonwealth Agencies Sectional Committee - 38th Parliament

Membership

Bob Charles MP (Chairman)
Alan Griffin MP (Vice-Chairman)
David Beddal MP
Senator Andrew Murray

Public Hearings in 1998-99: 0
Private Meetings in 1998-99: 0

² The 38th Parliament in the 1998-99 financial year was operational from 1 July - 31 August 1998. The 39th Parliament in the 1998-99 financial year was operational from 10 December 1998 - 30 June 1999.

Delayed Provisions of the Tax Law Improvement Bill Sectional Committee - 38/39th Parliament

Membership

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

Public Hearings in 1998-99:	0
Private Meetings in 1998-99:	1

Community Education and Information Programme - 39th Parliament

Membership

Bob Charles MP (Chairman)
 David Cox MP
 Senator the Hon Brian Gibson AM
 Julia Gillard MP
 Senator John Hogg
 Tanya Plibersek MP
 The Hon Alex Somlyay MP
 Stuart St Clair MP
 Senator John Watson

Public Hearings in 1998-99:	2
Private Meetings in 1998-99:	4

Australian Government Procurement Sectional Committee - 39th Parliament

Membership

Bob Charles, MP (Chairman)
 Mal Brough MP
 Petro Georgiou MP
 Alan Griffin MP
 Tanya Plibersek MP
 Stuart St Clair MP
 Senator John Hogg

Public Hearings in 1998-99:	6
Private Meetings in 1998-99:	3

Appendix 3

Committee Expenses during 1998-99

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 1998-99 were \$63,403. 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*.