

1982

(SECOND SESSION)

PARLIAMENT OF NEW SOUTH WALES

FOURTH REPORT
OF THE
PUBLIC ACCOUNTS COMMITTEE
OF THE
FORTY-SEVENTH PARLIAMENT

(INQUIRE INTO AND REPORT TO THE LEGISLATIVE ASSEMBLY
UPON ALL EXPENDITURE BY A MINISTER OF THE CROWN
WITHOUT PARLIAMENTARY SANCTION OR APPROPRIATION)

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FOURTH REPORT OF THE PUBLIC ACCOUNTS COMMITTEE OF THE FORTY-SEVENTH PARLIAMENT

The Public Accounts Committee appointed by the Legislative Assembly under the provisions of section 16 of the Audit Act, 1902, with power, *inter alia*, to:

Inquire into and report to the Legislative Assembly upon all expenditure by a Minister of the Crown made without Parliamentary sanction or appropriation,

sat on 2nd September, 1982, for the purpose of enquiring into items of unauthorised expenditure in the period 1st November, 1981 to 30th June, 1982, set out hereunder.

The meeting was attended by:

Mr M. R. Egan, M.P.
Mr S. T. Neilly, M.P.
Mr T. S. Webster, M.P.
Mr N. F. Greiner, M.P.
Mr J. C. Boyd, M.P.

Detailed explanations from Ministers as to the reasons for the unauthorised expenditure were examined by the Committee and these are attached to this report.

The Committee sought additional information from departmental officers nominated by the respective Ministers. Those called before the Committee were:

Mr N. Oakes, Secretary and Comptroller of Accounts, Treasury.
Mr D. Hill, Chief Executive, State Rail Authority.
Mr L. A. MacDonald, Director of Finance, Health Commission of N.S.W.
Mr C. A. Woollett, Assistant Secretary (Finance) Health Commission of N.S.W.
Mr L. F. Vineburg, Secretary, Police Department.
Mr I. R. Roe, Deputy Secretary, Police Department.
Mr A. Adams, Accountant, Police Department.
Mr W. C. Langshaw, Director General, Department of Youth and Community Services.
Mr W. K. Pilz, Director, Public Works Department.
Mr D. J. Stanton, Financial Controller, Public Works Department.
Mr A. C. Verdon, Acting Secretary, Department of Education.
Mr G. C. Rossiter, Assistant Secretary (Finance) Department of Education.
Mr A. J. Crothers, Officer-in-Charge, Budget Division, Department of Education.
Mr J. Hopkins, Acting Administrative Officer, Office of the Minister for Education.
Mr D. Ingall, Manager, Government Stores Department.
Mr K. W. Frost, Chief Administrative Officer, Cleaning Services Branch, Government Stores Department.
Mr I. W. Dickson, Administrative Officer, Cleaning Services Branch, Government Stores Department.
Mr D. C. Novak, Accountant, Government Stores Department.

A transcript of the information provided by the abovementioned witnesses is also attached to this report.

The Committee noted that in specific cases involving an "unauthorised" expenditure of some \$207.7 million virtually all of the amount involved could be accounted for by the effect of salary and wage increases awarded by wage fixing authorities.

The particular areas were:

	\$
Minister for Health—	
Contribution to the Hospital Fund for subsidies and allied services	91,423,000
Ambulance Services Fund—Contribution	4,670,000
Treasurer—	
Revenue Supplements—State Rail Authority	54,455,000
Minister for Education—	
Primary Education	16,813,491
Secondary Education	40,352,982
	\$207,714,473

Expenditure on other salary related items, e.g., Overtime and payments for Leave on Retirement, Resignation, etc., was also increased, in part, as a consequence of the increases in salaries and wages.

In addition some \$21.5 million was involved in the transfer of functions or Departments.

After careful consideration the Committee decided to regard the explanations provided by Ministers and departmental officials as satisfactory. However, the Committee formed the opinion that the cost of the Government Cleaning Service warranted further investigation.

M. R. EGAN, Chairman.

<i>Service</i>	Payments made during period 1st November, 1981 to 30th June, 1982 without Parliamentary Appropriation
\$	
FROM CONSOLIDATED REVENUE FUND	
PREMIER—	
Head Office—Sydney Opera House Trust—	
Endowment in terms of Section 20 of the Sydney Opera House Trust Act, 1961	431,000.00
Public Service Board—	
Expenditure by the administrative units of the former Department of Services from 26th May, 1982	652,407.48
Automatic Data Processing Service—(total expenditure from 26th May, 1982)	285,613.52
MINISTER FOR TRANSPORT—	
Head Office—	
Subsidies for Travelling Concessions to Pensioners and others on Privately Operated Omnibuses and Ferries	521,269.94
Drivers Licence Concession to Pensioners	482,578.00
Payments to Transport Authorities for concessions granted by the Government and other Government Assistance	4,057,780.74
Contribution towards the cost of leasing rolling stock	21,534,901.22
MINISTER FOR HEALTH—	
Health Commission of New South Wales—Administration—	
Contribution to the Hospital Fund for subsidies and other Assistance to Hospitals and Allied Services	91,423,000.00
Ambulance Services Fund—Contribution	4,670,000.00
TREASURER—	
Treasury—Head Office—	
Monetary Value of Leave payable in respect of Deceased Public Servants	567,977.19
Remissions and Refunds, as Acts of Grace, of Death Duty in certain cases	300,659.99
Revenue Supplements to—	
State Rail Authority—	
Metropolitan Passenger Services	23,985,000.00
Country Passenger Services	14,668,000.00
Freight Services	15,802,000.00
Urban Transit Authority—	
Bus Services	3,275,000.00
Assistance to Abattoir Councils	486,550.00
Repayment to the Commonwealth of Advances for Natural Disasters	1,604,335.33
Railway Mainline Upgrading—	
Interest on Commonwealth Advances	579,684.60
MINISTER FOR INDUSTRIAL DEVELOPMENT AND MINISTER FOR DECENTRALISATION—	
N.S.W. Government Courier Service—(total expenditure from 26th May, 1982)	719,475.94
Government Stores Department—(total expenditure from 26th May, 1982)	3,406,550.84
Government Cleaning Service—(total expenditure from 26th May, 1982)	13,981,818.58
Government Printer—(total expenditure from 26th May, 1982)	2,359,485.79
ATTORNEY GENERAL, MINISTER FOR JUSTICE AND MINISTER FOR ABORIGINAL AFFAIRS—	
Department of the Attorney General and of Justice—	
Fees to Non-Salaried Crown Prosecutors	197,824.28
Ex-gratia Payments to Victims of Violent Crimes	233,234.78
Registry of Births, Deaths and Marriages—(total expenditure from 26th May, 1982) ..	315,898.10

<i>Service</i>	Payments made during period 1st November, 1981 to 30th June, 1982 without Parliamentary Appropriation
MINISTER FOR POLICE—	\$
Payments for Leave on Retirement, Resignation, etc.	983,174.38
Overtime	2,258,677.29
Rent, Rates, etc.	1,590,530.20
Postal and Telephone Expenses	677,713.61
Gas and Electricity	233,163.49
Settlement of claim relating to injury on duty	100,000.00
MINISTER FOR CORRECTIVE SERVICES—	
Department of Corrective Services—	
Overtime	919,138.92
MINISTER FOR LOCAL GOVERNMENT—	
Local Government—	
Subsidies to Shires and Municipalities in respect of rates written off—Old Age, Invalid and certain other classes of Pensioners	1,442,820.73
MINISTER FOR PUBLIC WORKS—	
Public Works Department—	
Maintenance of Public Works and Services, including Renewals, Surveys and Investiga- tions—	
Public Buildings generally	11,382,482.83
Electricity, Gas, etc.	760,438.84
State Telephone Services	2,651,918.20
Compensation for Determination of Leasehold on Kooragang Island	444,472.50
MINISTER FOR ENERGY AND MINISTER FOR WATER RESOURCES—	
Energy and Water Resources—	
Payments for Leave on Retirement, Resignation, etc.	339,351.85
Energy Authority of New South Wales—	
Contribution towards Expenses etc.	368,363.00
MINISTER FOR EDUCATION—	
Office of the Minister for Education—	
Adult Migrant Education—Salaries and Other Expenses	406,926.65
Department of Education—	
Head Office—	
Workers Compensation Insurance	263,841.00
Provision for payments in respect of claims for compensation, etc.	673,815.81
Handicapped Children's Centres—Subsidies towards costs of supervision and travel of children	128,300.21
Special Developments in Education for Handicapped Children	547,689.58
Primary Education—	
Salaries Wages and Allowances	16,813,490.63
Payments for Conveyance of Children to School	2,061,839.67
School Telephone Expenses	339,868.94
Allowances for primary pupils in non-State Schools	364,827.40
Provision for Special Assistance to Disadvantaged Schools	550,849.34
Secondary Education—	
Salaries Wages and Allowances	40,352,981.71
School Telephone Expenses	194,058.25
Secondary Textbook Allowances	251,438.00
MINISTER FOR YOUTH AND COMMUNITY SERVICES—	
Department of Youth and Community Services—Head Office and General Division—	
Maintenance of Children in Shelters and Cost of Transfer to and from Country Centres, Hospitals, etc.	115,227.35
Cash and Other Assistance to Persons in Necessitous Circumstances	327,542.86
MINISTER FOR INDUSTRIAL RELATIONS AND MINISTER FOR TECHNOLOGY—	
Department of Industrial Relations—Administrative Division—	
Occupational and Environmental Health—Expenses	142,869.63
MINISTER FOR PLANNING AND ENVIRONMENT—	
Department of Environment and Planning—Legal expenses in connection with various Court Actions	309,818.91
Total—Consolidated Revenue Fund	\$294,539,678.10