

Inquiry into the scrutiny of public accountability in New South Wales

Discussion Paper

- 1.1** In accordance with the resolution establishing the Public Accountability Committee, the current inquiry seeks to examine future arrangements for the ongoing scrutiny of public accountability in New South Wales. The terms of reference for the inquiry are attached.
- 1.2** The purpose of this discussion paper is to provide context to the inquiry and some discussion points to assist submission makers.
- 1.3** This discussion paper has been distributed with the call for submissions. Submissions are due by Tuesday 26 June 2018. The committee intends to conduct a public hearing following the submission closing date.

Background

- 1.4** As a feature of Westminster-style parliaments, public accounts committees have a long and established history as a mechanism to scrutinise the Executive and strengthen public accountability. These committees may take different forms across jurisdictions, varying in membership, size and function.
- 1.5** In New South Wales, there are two such committees: the Public Accounts Committee of the Legislative Assembly and the recently appointed Public Accountability Committee of the Legislative Council.
- 1.6** The Public Accounts Committee was first appointed in 1902 and is the oldest committee of the NSW Parliament. Comprised of six members from the Legislative Assembly, including a government chair, the Public Accounts Committee is a statutory committee which derives its powers from the *Public Finance and Audit Act 1983*. Under the Act, the committee's functions include examining the consolidated financial statements and general government sector financial statements transmitted to the Legislative Assembly by the Treasurer, the financial reports of statutory bodies and any aspects of the Auditor-General's reports laid before the Legislative Assembly.
- 1.7** On 15 March 2018, the Legislative Council established a corresponding Public Accountability Committee. Comprised of seven members of the Legislative Council, including a non-government chair, the committee's functions are modelled on those of the Public Accounts Committees with respect to the examination of all financial statements, financial reports and Auditor-General's reports laid before the Legislative Council. In addition, the committee has a self-referencing power to inquire into the expenditure, performance or effectiveness of any government department, statutory body or corporation of any portfolio.

Suggested topics for discussion

- 1.8** In considering the ongoing scrutiny of public accountability in New South Wales, submission makers may be guided by the following questions:

- Has the scrutiny of public accounts in New South Wales been adequate and effective to date? How can current mechanisms be improved?
- Are the powers and functions of the Legislative Council Public Accountability Committee appropriate to ensure accountability and transparency of government administration?
- Are there mechanisms or practices within other public accounts committees both within Australia and overseas that could be applied to the Legislative Council Public Accountability Committee?
- Do you have any comments on the size of and political representation within the Legislative Council Public Accountability Committee, including it being chaired by a non-government member?
- Do you have any comments on the existence of two separate public accounts committees in New South Wales? Should there be joint membership of a single public accounts committee in New South Wales?
- Noting that the Legislative Assembly Public Accounts Committee is appointed under the *Public Finance and Audit Act 1983* and the Legislative Council Public Accountability Committee is appointed by resolution of the House, should the Legislative Council Public Accountability Committee also be appointed under legislation?
- Any other related matter.