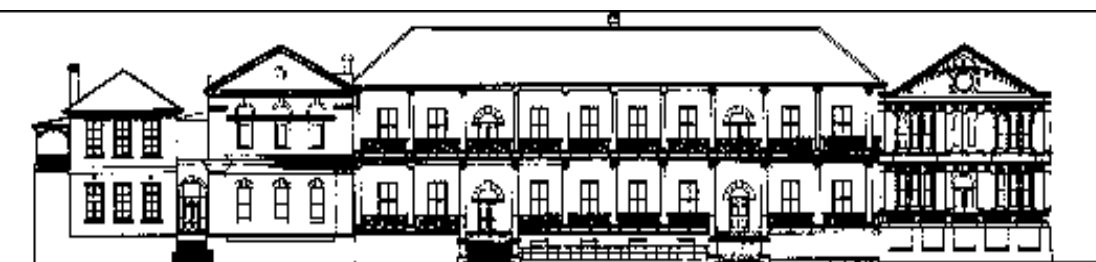




PUBLIC ACCOUNTS COMMITTEE

ANNUAL REVIEW 2001-2002



Report No.139

December 2002

[No. 21/52]

This report was compiled using *Word 97*
and printed by the Parliamentary Printing Services.

This report will also be available on the Internet via:
<http://www.parliament.nsw.gov.au>

New South Wales Parliamentary Library cataloguing-in-publication data:

New South Wales. Parliament. Public Accounts Committee

Annual review, 2001-2002 / Public Accounts Committee. [Sydney, N.S.W.] : The Committee, 2002. – 30 p. ; 30 cm. (Report ; no. 139 / Public Accounts Committee) ([Parliamentary paper] ; no. 21/52)

At head of title: Parliament, NSW.

“December 2002”.

Chair: Joseph Tripodi.

ISBN 0 7347 6620 3

1. New South Wales. Parliament. Public Accounts Committee.
- I. Title.
- II. Tripodi, Joseph.
- III. Series: New South Wales. Parliament. Public Accounts Committee. Report, no. 139
- IV. Series: Parliamentary paper (New South Wales. Parliament) ; no. 52/21

DDC 328.944



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Charter of the Committee

The Public Accounts Committee has responsibilities under the *Public Finance and Audit Act 1983* to inquire into and report on activities of government that are reported in the State's Public Accounts and the accounts of the State's authorities.¹ The Committee, which was established in 1902, scrutinises the actions of the Executive Branch of Government on behalf of the Legislature.

The Committee recommends improvements to the efficiency and effectiveness of government activities. The sources of inquiries are the Auditor-General's reports to Parliament, referrals from Ministers and references initiated by the Committee. Evidence is primarily gathered through public hearings and submissions. As the Committee is an extension of Parliament, its proceedings and reports are subject to Parliamentary privilege.

Members of the Committee

The Committee comprises members of the Legislative Assembly and assumes a bi-partisan approach in carrying out its duties.

Chairman:	Joseph Tripodi MP, Member for Fairfield (ALP)
Vice-Chairman:	The Hon Pam Allan MP, Member for Wentworthville (ALP)
Members:	Barry Collier MP, Member for Miranda (ALP) Ian Glachan MP, Member for Albury (Liberal) Katrina Hodgkinson MP, Member for Burrinjuck (National) Richard Torbay MP, Member for Northern Tablelands (Independent)

¹ See Part 4 of the Act – The Public Accounts Committee.



Committee Secretariat

Committee Manager	Mr David Monk.
Project Officers	Mr Craig Gillman (from August 2001 until January 2002); Ms Vicki Buchbach (from June 2002).
Committee Officers:	Ms Stephanie Hesford (until December 2001); Ms Jacqui Isles (from January 2002).
Assistant Committee Officer:	Ms Mohini Mehta.
Advisors to the Committee:	Ms Belinda Archer (Treasury Seconded from August 2001 until April 2002); Mr John Viljoen (Audit Office Seconded from May 2002); Ms Tracy Richardson (Intern from August until November 2001).

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Chairman's Foreword

The year in review was particularly significant for two reasons: the Committee commenced its triennial review of the audit office and prepared for the celebration of the centenary anniversary of its operations.

Section 48A of the Public Finance and Audit Act 1983 commenced in March 1992 and requires a review of the Audit Office to be conducted on a regular basis. The Committee resolved in February 2002 to commence a new review.

For its centenary, the Committee decided to commemorate the occasion with a special lunch. An eminent member of the business community, Mr Fred Hilmer AO, Chief Executive of Fairfax Holdings Ltd, was invited to give the address.

During the year in review, the Committee tabled two major reports. In February 2002, the Committee tabled the report of its review of the School Student Transport Scheme (SSTS) The SSTS provides free travel to all NSW students to attend the school of their choice (not just the nearest school) if they meet eligibility criteria for distance. In 2001/02, around 600,000 beneficiaries received subsidised travel under the scheme and the total SSTS budget was more than \$400 million.

The Committee identified a serious lack of co-ordination in the administration of the scheme by the Departments of Education and Transport. The Committee has been advised by these agencies that they have established a consultation mechanism in response to the report and have commenced a major review of the operation of the scheme.

In May 2002, the Committee tabled a comprehensive report on court waiting times investigating the situation in the Supreme, District and Local Courts of New South Wales.

The performance of the courts of NSW has been the subject of three reports by the Audit Office of NSW since 1995 and one previous Public Accounts Committee inquiry in 1996. The Committee consulted widely in preparing the report and held hearings in December 2001.

The Committee had due regard for the concerns of the judiciary that private sector style performance management systems might adversely affect the capacity of courts to deliver justice. The Committee nevertheless held to the view that reduction of delay is an appropriate goal for the judiciary and court administrators.

The Committee investigated the interactions between parties in both criminal and civil cases to gain a better understanding of how stakeholders inside and outside the courts can contribute to judicial delays. It found that effective and efficient management is not just a matter of resourcing. Equally important is the



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collection of easily available and reliable management information and the sharing of data across jurisdictions via modern computer networks.

The Committee was pleased to find that all levels of courts have improved timeliness by introducing case management procedures and time standards. The most notable improvements were in criminal waiting times in the Supreme and District Courts.

A great deal of dedication and hours by both Committee Members and the secretariat has been expended to make the past year's activities a success. The foundations of such cooperation and cohesion lie in the bi-partisan approach to the Committee's work.

I would like to thank my fellow members for their support throughout the year, the Hon. Pam Allan, Barry Collier, Ian Glachan, Katrina Hodgkinson and Richard Torbay for their cooperation. I also like to take this opportunity to thank the Committee secretariat for their dedication and support throughout the past year.

Joe Tripodi

Joseph Tripodi MP
Chairman



Members of the Committee

Mr Joseph Tripodi, B.Ec (Hons), MP, Chairman

Mr Tripodi was elected to Parliament in March 1995 as the ALP Member for Fairfield. Before entering Parliament he worked as an economist with the Reserve Bank of Australia and as a union official with the Labor Council of NSW. Mr Tripodi has been a Member of the Committee since May 1995 and was elected Vice-Chairman in September 1996. Following the General Election held in March 1999, Mr Tripodi was re-appointed to the Committee and subsequently elected Chairman.

The Hon. Pam Allan, B.A. (Hons), Dip. Ed. (Syd) Honours in Government, MP, Vice-Chairman

Ms Allan was elected to Parliament on 19 March 1988 as the ALP Member for Wentworthville. Prior to entering Parliament, Ms Allan served as an Alderman on the Parramatta City Council and as a delegate and later became Chairman of the Western Sydney Regional Organisation of Councils. During her parliamentary career Ms Allan has served as the Minister for Environment and Shadow Minister for Planning, Environment and Women's Affairs. Ms Allan has served as a Member of the Joint Select Committee on Waste Management and was appointed to the Public Accounts Committee on 3 June 1999 and elected Vice-Chairman on 23 June 1999.

Mr Barry Collier, B.Comm., Dip. Ed., Dip. Law, MP

Mr Collier was elected as the ALP Member for Miranda on 27 March 1999. Before entering Parliament Mr Collier was a barrister practising criminal law (1997-98) and previously a solicitor from 1989 to 1996. Prior to being admitted as a solicitor, Mr Collier was a high school teacher for 17 years, teaching economics, commerce and legal studies. He is a former President of the Legal Education Teachers' Association, a former Director of the Economics Teacher's Association, and is a published author having written *Introducing Economics 1, 2 & 3* – texts for HSC economics examination students. Mr Collier was Chair of the NSW Economic Examination Committee for three years from 1985 – 1988. He was appointed as a Member of the Public Accounts Committee on 3 June 1999.

Mr Ian Glachan, MP

Mr Glachan has been the Liberal Member for Albury since 1988. Mr Glachan has a varied background serving five years at sea as a marine engineer, a farmer for ten years, and a small business operator (newsagency) for eighteen years. Mr Glachan is also a former President of the Albury-Hume Rotary Club and a Paul Harris Fellow. He is an active member of the Anglican Church, and was the Legislative Assembly Member appointed to the Board of Governors of



Charles Sturt University from 1995 until 1999. Mr Glachan has been a Member of the Committee from 1992 until the present, serving as Chairman 1994-95.

Ms Katrina Hodgkinson, MP

Ms Hodgkinson was elected as the National Party Member for Burrinjuck on 27 March 1999. Before entering Parliament Ms Hodgkinson was Executive Officer to the Federal Cabinet Minister, Senator The Hon. Nick Minchin. Ms Hodgkinson is a partner in a wool and fine arts retail enterprise. She is a former property developer and is a former member of several rural economic based committees. Ms Hodgkinson was appointed a member of the Public Accounts Committee on 3 June 1999.

Mr Richard Torbay, MP

Mr Torbay was elected an Independent Member for the Northern Tablelands on 27 March 1999. Before entering Parliament Mr Torbay served the local community of Armidale. He is a former Mayor and Deputy Mayor of Armidale, serving on the Armidale City Council since 1991. Mr Torbay has acted as Chairman of the NSW Country Mayor's Association, and is the Patron of the Armidale District Chamber of Commerce. Mr Torbay became a Member of the Public Accounts Committee on 3 June 1999.



Functions of the Committee

The Public Accounts Committee (PAC) consists of six members of the Legislative Assembly. The Committee is established under Part 4 of the *Public Finance and Audit Act 1983*

General Functions

Section 57 (1) of the *Public Finance and Audit Act 1983* sets out the following functions:²

- (1) The functions of the Committee are:
 - (a) to examine the Total State Sector Accounts transmitted to the Legislative Assembly by the Treasurer,
 - (b) to examine the accounts of authorities of the State, being accounts that have been:
 - (i) audited by the Auditor-General or an auditor appointed under section 47(1), or
 - (ii) laid before the Legislative Assembly by a Minister of the Crown,
 - (c) to examine the opinion or any report of the Auditor-General transmitted with the Total State Sector Accounts or laid before the Legislative Assembly with the accounts of an authority of the State (including any documents annexed or appended to any such opinion or report),
 - (c1) to examine any report of the Auditor-General laid before the Legislative Assembly,
 - (d) to report to the Legislative Assembly from time to time upon any item in, or any circumstances connected with, those accounts, reports or documents which the Committee considers ought to be brought to the notice of the Legislative Assembly,
 - (e) to report to the Legislative Assembly from time to time any alteration which the Committee thinks desirable in the form of those accounts or in the method of keeping them or in the method of receipt, expenditure or control of money relating to those accounts,
 - (f) to inquire into, and report to the Legislative Assembly upon, any question in connection with those accounts which is referred to it by the

² See also s28 of the State Owned Corporations Act 1989. This gives the Committee the same functions in relation to the State Owned Corporations.



Legislative Assembly, a Minister of the Crown or the Auditor-General,
and

- (g) to inquire into expenditure by a Minister of the Crown made without Parliamentary sanction or appropriation or otherwise than in accordance with the provisions of this Act or any other Act and report to the Legislative Assembly from time to time upon any matter connected with that expenditure which the Committee considers ought to be brought to the notice of the Legislative Assembly.
- (2) The functions of the Committee extend to an examination of, inquiry into or report upon a matter of Government policy if and only if the matter has been specifically referred to the Committee under subsection (1) (f) by the Legislative Assembly or a Minister of the Crown.
- (3) The functions of the Committee do not extend to an examination of, inquiry into or report upon the estimates of any proposed expenditure by the State or by an authority of the State.
- (4) If, at the time at which the Committee seeks to report to the Legislative Assembly in accordance with subsection (1), the Legislative Assembly is not sitting, the Committee shall present its report to the Clerk of the Legislative Assembly to be dealt with in accordance with section 63C.
- (5) (Repealed)

Appointment of the Auditor-General

Section 57A of the *Public Finance and Audit Act 1983* provides the Committee with the power to veto any proposed appointment of the Auditor-General:

- (1) The Treasurer is to refer a proposal to appoint a person as Auditor-General to the Committee and the Committee is empowered to veto the proposed appointment as provided by this section. The Treasurer may withdraw a referral at any time.
- (2) The Committee has 14 days after the proposed appointment is referred to it to veto the proposal and has a further 30 days (after the initial 14 days) to veto the proposal if it notifies the Treasurer within that 14 days that it requires more time to consider the matter.
- (3) The Committee is to notify the Treasurer, within the time that it has to veto a proposed appointment, whether or not it vetoes it.
- (4) A referral or notification under this section is to be in writing.



Annual Reports

In addition to the *Public Finance and Audit Act 1983*, there are other Acts governing the Public Accounts Committee's functions.

Given the Committee's status in promoting accountability, legislation has entrenched its role in amending the annual reporting legislation. Section 19 of the *Annual Reports (Departments) Act 1985* provides:

Reference of matters to Public Accounts Committee

- (1) The Treasurer may refer any matter relating to the annual reports of Departments to the Public Accounts Committee for examination and report to the Treasurer.
- (2) The Treasurer shall refer to the Public Accounts Committee for examination and report to the Treasurer any proposal to amend this Act or make a regulation, other than a proposal made by the Public Accounts Committee.
- (3) Nothing in subsection (2) requires the Treasurer to refer a proposal to the Public Accounts Committee if, at the time the Treasurer formulates or receives the proposal:
 - (a) no members have been appointed to the Committee, or
 - (b) the members of the Committee have ceased to hold office.
- (4) Nothing in subsection (1) or (2) prevents the Public Accounts Committee, after the Committee has reported to the Treasurer, from reporting to the Legislative Assembly on any matter referred to it by the Treasurer under subsection (1) or (2).
- (5) The provisions of section 57 (4) and (5) of the Public Finance and Audit Act 1983 apply to and in respect of a report under subsection (4) in the same way as those provisions apply to and in respect of a report in accordance with section 57 (1) of that Act.

Section 16 of the *Annual Reports (Statutory Bodies) Act 1984* provides:

Reference of matters to Public Accounts Committee

- (1) The Treasurer may refer any matter relating to the annual reports of statutory bodies to the Public Accounts Committee for examination and report to the Treasurer.



- (2) The Treasurer shall refer to the Public Accounts Committee for examination and report to the Treasurer any proposal to amend this Act or make a regulation, other than a proposal made by the Public Accounts Committee.
- (3) Nothing in subsection (2) requires the Treasurer to refer a proposal to the Public Accounts Committee if, at the time the Treasurer formulates or receives the proposal:
 - (a) no members have been appointed to the Committee, or
 - (b) the members of the Committee have ceased to hold office.
- (4) Nothing in subsection (1) or (2) prevents the Public Accounts Committee, after the Committee has reported to the Treasurer, from reporting to the Legislative Assembly on any matter referred to it by the Treasurer under subsection (1) or (2).
- (5) The provisions of section 57 (4) and (5) of the Public Finance and Audit Act 1983 apply to and in respect of a report under subsection (4) in the same way as those provisions apply to and in respect of a report in accordance with section 57 (1) of that Act.

Review of the Auditor-General's Office

Section 48A of the *Public Finance and Audit Act 1983* provides:

- (1) A review of the Auditor-General's Office is to be conducted under this section at least once every 3 years.
- (2) The review is to examine the auditing practices and standards of the Auditor-General and to determine whether the Auditor-General is complying with those practices and standards in the carrying out of the Auditor-General's functions under this Act.
- (3) The review is to be conducted by a person ("the reviewer") appointed by the Public Accounts Committee for the time being constituted under Part 4.
- (4) The reviewer:
 - (a) is to be appointed on such terms and conditions and is entitled to such remuneration (if any) as are determined by the Public Accounts Committee, and
 - (b) in conducting a review under this section, must comply with any directions as to the review given by the Committee.



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- (5) The remuneration payable to the reviewer is to be paid from money appropriated by Parliament for the purpose.
 - (6) Sections 36, 37 and 38 apply in relation to the reviewer as if references in those sections to the Auditor-General were references to the reviewer.
 - (7) The reviewer is to report to the Auditor-General as to the result of any such review and as to such other matters as in the judgment of the reviewer call for special notice.
 - (8) The reviewer must not make a report of a review conducted under this section unless, at least 28 days before making the report, the reviewer has given the Auditor-General a summary of findings and proposed recommendations in relation to the review.
 - (9) The reviewer must include in the report any written submissions or comments made by the Auditor-General or a summary, in an agreed form, of any such submissions or comments.
 - (10) The reviewer, in a report of a review under this section:
 - (a) may include such information as he or she thinks desirable in relation to matters that are the subject of the review, and
 - (b) must set out the reasons for opinions expressed in the report, and
 - (c) may include such recommendations arising out of the review as he or she thinks fit to make.
 - (11) The Auditor-General is to forward a report prepared under this section to the Public Accounts Committee within 2 months of receipt of the report.
 - (12) The Chairman of the Public Accounts Committee is, on receipt of such a report, to present the report to the Legislative Assembly, if the Legislative Assembly is then sitting.
 - (13) If at the time at which the Chairman seeks, in accordance with this section, to present the report to the Legislative Assembly the Legislative Assembly is not sitting, the Chairman is to present the report to the Clerk of the Legislative Assembly to be dealt with in accordance with section 63C.



History of the Committee

The Public Accounts Committee was established by the *Audit Act 1902*. Until 1981, the Committee met only two to four times a year, each meeting lasting for only about half an hour. Committee reports during those years were a few pages long, confining themselves to instances of over expenditure, financial impropriety or procedures on contracts. Until December 1982, the Committee had only two functions:

- (1) to inquire into matters relating to the Public Accounts referred to it by the Legislative Assembly, a Minister or the Auditor-General; and
- (2) to inquire into expenditure by Ministers which had not been sanctioned and appropriated by Parliament.

The first function was not exercised until November 1981, when the Committee received a reference to inquire into over-expenditure in public hospitals and the general accountability of the public hospital system. The second function was performed only superficially until 1982, when public hearings were held and departmental witnesses examined for the first time about over-expenditures.

In commenting on the lack of references given to the Public Accounts Committee, the Joint Committee on Public Accounts and Financial Accounts of Statutory Authorities noted:

...either a standard of efficiency in the financial administration of Departments stretching credulity to more than reasonable limits or alternatively – and more probably, a lack of understanding on the part of both the Legislature and the Executive of the need for vastly improved machinery for improvement in the control of public finance.³

The inactivity of the Public Accounts Committee was clearly the result of the latter – a lack of appreciation by successive governments of the need for a legislatively backed watchdog of public expenditure. However, by the late 1970s there was a growing recognition in government of the need for enhanced accountability of the public sector to the Legislature.

Three successive reports from parliamentary committees appointed to examine the form of the Public Accounts and the accounts of statutory authorities recommended that:

³ Parliament of New South Wales 1980, *Progress Report from the Joint Committee of the Legislative Council And Legislative Assembly Upon Public Accounts And Financial Accounts Of Statutory Authorities Together With The Minutes Of Proceedings And Evidence, 1979-80*, Government Printer, NSW, p xxix.



- (1) the Audit Act be amended to increase the functions of the Public Accounts Committee to allow it to initiate its own inquiries⁴; and
- (2) the Public Accounts Committee be serviced by a permanent secretariat of parliamentary officers.⁵

As a result of these recommendations, in December the *Audit (Public Accounts Committee) Amendment Bill 1982* was passed to expand considerably the powers of the Public Accounts Committee. In addition to its two former functions, the Committee was empowered to:

- examine the Public Accounts;
- examine the accounts of statutory authorities;
- examine the Auditor-General's reports and related documents;
- report to the Legislative Assembly upon any items in, or circumstances connected with those accounts, reports or documents; and
- report to the Assembly on any alteration the Committee thinks desirable in the form of the accounts, or in the method of keeping accounts, or the receipt, expenditure or control of money.

The Audit Act of 1902 was replaced by the *Public Finance and Audit Act 1983*, which retained the functions of the Committee, acquired in December 1982. In addition, a permanent secretariat was established in August 1983. The membership of the Committee was increased from five to six with the passing of an amendment to the *Public Finance and Audit Act 1983* in June 1999.

The strengthening of the Public Accounts Committee's statutory powers in 1982 received bipartisan support. Bipartisanship has underpinned the way the Public Accounts Committee has investigated problems in public sector administration. The Committee has been supported by all political parties and Independents, as well as the media. Its work has involved a search for common ground, the sharing of ideas and experience, and effective consultation and negotiation.

Inquiries by the reconstituted Public Accounts Committee have contributed to, and in many cases, been entirely responsible for restructuring of government agencies and systems. In the public health system, for example, the Committee has driven improvements in the accountability of hospitals and in the efficiency of the Home Care Service. In the public sector generally, the Committee has provided impetus to the adoption of annual reporting and accrual accounting, and the strengthening of internal audit.

⁴ Parliament of New South Wales 1978, *Interim Report from the Select Committee on Public Accounts and Financial Accounts of Statutory Authorities Together with the Proceedings of the Committee and Minutes of Evidence, 1976-77-78*, Government Printer, NSW, pp v and vii.

⁵ Parliament of New South Wales 1980, *Progress Report from the Joint Committee of the Legislative Council And Legislative Assembly Upon Public Accounts And Financial Accounts Of Statutory Authorities Together With The Minutes Of Proceedings And Evidence, 1979-80*, Government Printer, NSW, pp xxxi - xxxii.



Over the last decade, a close working relationship has been forged between the Committee and successive Auditors-General. The Auditor-General and the Committee have complementary roles. The Auditor-General identifies problems in government administration, and the Committee publicly investigates the reasons behind the problems and provides follow-up to prompt their rectification. Together, the Committee and the Auditor-General form a strong instrument of accountability to ensure State finances are properly managed and reported.

Centenary of the NSW Public Accounts Committee

The Committee celebrated its Centenary at a special anniversary lunch held on 10 September, 2002 in Parliament House. 50 guests attended the event, including current and past members of the New South Wales Public Accounts Committees, current and past Auditors-General, the Treasurer, the Hon M R Egan MLC, Opposition Treasury spokesman, the Hon George Souris MP, and the Lord Mayor, Councillor Frank Sartor. Also among the guests were the Presiding Officers of the NSW Legislative Assembly and Legislative Council and representatives of other State and Commonwealth Parliaments.

Over the years of its operations, the Public Accounts Committee has maintained cordial relations with the academic community and the auditing and accounting professions. A number of academic colleagues and representatives of the principal professional organisations attended. Some former and current members of the Committee's secretariat were also present.

The guest speakers were Fred Hilmer AO and former New South Wales Premier, The Hon Nick Greiner AC.

Mr Hilmer is Chief Executive Officer of Fairfax Holdings Ltd. In 1991, the Australian Institute of Management awarded him a special John Storey medal for distinguished contribution to the advancement of management thinking in Australia. In 1992 and 1993 he chaired the National Competition Policy Review Committee, which heavily influenced micro-economic policy in Australia. In his address, Mr Hilmer gave his perspective on the changes in economic policy over the past 20 years.

Mr Greiner, a former member of the Public Accounts Committee, responded to Mr Hilmer's speech. He gave insights into the evolving role of parliamentary committees and the history of public sector reform.

The NSW Committee is not the oldest of its type in Australia. That honour belongs to its Victorian equivalent, which was established in 1895. The members of the first NSW Committee were appointed on 4 September 1902.



Highlights 2001 – 2002

Hearings and Follow-up Investigations

The Committee held a number of hearings in the past year. A major focus of investigation was the cause of delays in court waiting times including procedures for managing delays. Two public hearings were held for the Committee's Inquiry into Court Waiting Times in December 2001. Twenty-four witnesses gave evidence. They included representatives of the Office of the Director of Public Prosecutions, the Legal Aid Commission, NSW Police, the Office of the Public Defender, forensic medical experts, legal practitioners and legal researchers.

In June 2002, the Committee held three further public hearings. The first, held on 6 June 2002, concerned a legislatively mandated review of the Office of the Auditor-General's Office. The Committee received public oral submissions from the Auditor-General, Mr Bob Sendt and from the Deputy Auditor-General, Mr Tony Whitfield.

The hearing focussed on the response of the Auditor-General's office to the report of the previous triennial review and broader questions which would assist the Committee to frame appropriate terms of reference for the forthcoming review.

The second hearing, held on 20 June 2002, was for the Committee's Inquiry into Delays in the Planning, Approval and Construction of Schools. Four agencies were represented as witnesses. These were the Department of Education and Training, the Department of Public Works and Services, PlanningNSW and Treasury.

The Department of Education has a large capital works program for the construction and upgrading of schools which are funded through the State Budget. School construction projects are managed on the Department of Education's behalf by the Department of Public Works and Services.

The third public hearing was held on 26 June 2002. This concerned the Committee's Inquiry into the Delegation of Powers of the Minister of Health. This Inquiry followed up questions prompted by the Auditor-General's Report to Parliament for 2001. The matter raised by the Auditor-General was the potential for financial risks occurring if the Minister of Health delegated powers under section 127 of the Health Services Act 1997 to certain officers within the Department of Health. Witnesses represented the Office of the Auditor-General and of the New South Wales Health Department.



Under section 57(1) of *the Public Finance and Audit Act*, the Committee has the power to investigate matters arising from Auditor-General's reports to Parliament.

Matters approved by the Committee for follow-up investigations in May 2002 included:

- Forestry Commission of New South Wales' trading arrangements with customers in financial difficulties;
- Australian Museum Trust's valuation of its collection and assets; and
- Department of Health's use of powers delegated by the Minister for approval of certain expenditures.

Reports of the follow-ups are due to be completed and tabled by the closure of the current Parliamentary Session in December 2002.

International Delegations

The Committee met with a number of international parliamentary delegations visiting Parliament House throughout the year.

The Committee met with the Vietnamese Parliament's Committee for Economic and Budget Affairs.

The Chairman hosted a visit by an East Timor delegation at Parliament House in October 2001. The delegation included representatives from the East Timorese Constituent Assembly. Discussions revolved around accountability arrangements in New South Wales and were designed to help the delegation to write the East Timorese Constitution.

A major briefing was held for the KwaZulu-Natal Legislature Standing Committee on Public Accounts in April 2002. The Auditor-General, the Deputy Ombudsman and the Chairman of the Parliament's Public Bodies Review Committee also took part.

The Committee also met with a visiting Member of Parliament from Poland and the Chairman and Secretary of the Northern Territory Public Accounts Committee.



Meetings and Conferences

The Committee held several meetings with representatives of industry and with senior public sector officials. Topics concerned government initiatives.

On 24 July 2001, the Committee met with the Secretary of the New South Wales Treasury, Mr John Pierce, to discuss the private funding of public infrastructure and services. Also in attendance were the Executive Director of Treasury, Mr Robert Carling and the Acting Senior Advisor, Mr Peter Bannister.

On 5 September, 2001 Committee members met with the RTA's Chief Executive Officer, Mr Paul Forward, and senior officials of the Department. Discussion concerned the RTA's procedures in relation to privately funded projects and to what extent they promote the objectives of innovation and financial prudence.

The Chairman made a speech at an Institute for International Research Conference on Corporate Governance on the topic of The NSW Grains Board. The financial collapse of this entity was the subject of an inquiry by the Committee in 2000-2001. The Chairman's address discussed this case as an example of the vital role played by corporate governance in sustaining or, if flawed, impairing public sector trading enterprises.

Ms Katrina Hodgkinson MP represented the Committee at a conference on the subject of Public Private Partnerships – *'Allocating Risk and Adding Value for Money'*, held in Sydney in October 2001.

The Committee met with the NSW President of CPA Australia, Mr Jon Masters and senior officials of the organisation in October 2001. Discussion concerned public accounting issues and the possibility of collaboration on future projects.

In connection with the Inquiry into Court Waiting Times, Mr Barry Collier MP and Mr Glachan MP and members of the Committee secretariat made a tour of inspection of Sydney's District and Local Courts in October 2001.

Study Tours

At its meeting on 20 June 2001, the Committee resolved to conduct a study tour to Europe to investigate the private financing of Public Infrastructure and Services. The tour was undertaken from 9 to 30 August 2001. The delegation was led by the Chairman, Mr Joseph Tripodi MP, accompanied by Ms Katrina Hodgkinson MP and Committee Manager, Mr David Monk. The trip report (Case Studies and Issues in the Private Financing of Public Infrastructure and Services, Number 134) was tabled in October 2002.

At its meeting on 19 June 2002, the Committee resolved to conduct a Committee study tour to the US and Europe. The purpose of the tour was to



investigate changes to private sector auditing since the Enron collapse and the impact on the public sector.

It was decided that the delegation would comprise the Chairman, Mr Joseph Tripodi MP and Mr Richard Torbay MP. The Senior Project Officer, Ms Vicki Buchbach was appointed to accompany the delegation.

Summary of Activities

Meetings	21
Hearings	4
Witnesses	37
Reports	3
Number of Recommendations	50



Reports and Inquiries

Matters Arising from Auditor-General Reports

The Committee followed up issues and matters arising from the Auditor-General's Reports to Parliament. Mr John Viljoen, Assistant Director of Audit, Financial Audit Branch, Audit Office of New South Wales was seconded to the Committee from May 2002 and commenced investigations a number of matters raised by the Auditor-General.

Delegation by the Minister for Health

On 26 June 2002, the Committee held a public hearing to investigate the appropriateness of the Minister of Health to make a financial delegation. The Auditor-General raised concerns over the Minister of Health having appeared to have delegated his responsibility to allocate \$6 billion to public health organisations. The delegation was to officers in the Department. The Auditor-General reported the delegation was being used.

The Committee's report was tabled in October 2002. The Committee found the Audit Office had been mistaken in its reporting. While the PAC understood the Auditor-General's concerns, it concluded the risks were exaggerated and given too much prominence in the report to Parliament.

The Committee found that misunderstanding occurred because of a failure of communications between the Audit Office and NSW Health. As a result of this Inquiry, the Committee resolved to examine further how the Audit Office communicates with audited agencies as part of its review of the Audit Office.

The Committee also recommended that the *Health Services Act 1997* be amended to preclude a financial delegation in the future.

Omnibus Follow-up Inquiries

The Committee followed up a number of financial audit items from the Auditor-General's reports tabled in Parliament in late 2001 and early 2002. This volume comprised issues which the Committee did not progress beyond the submissions stage, namely:

- the qualification of the accounts of the Building and Construction Industry Long Service Payments Corporation, due to it recognising changes in the value of investments as profit or loss. The Australian Accounting Standards limit this treatment to superannuation funds;
- the Department of Public Works and Services spending much of the year in overdraft; and
- the need for the Sydney Catchment Authority to improve its accounting procedures and cash position.



The Building and Construction Industry Long Service Leave Payments Corporation provides a long service scheme to workers in the building and construction industry. It manages a pool of investments to provide long service leave to construction workers based on their length of service and income.

Over the past ten years, the Corporation has recognised changes in the value of its investments as income. However, the Australian Accounting Standards only allow superannuation companies to use this accounting treatment. The Auditor-General has had no option but to qualify the Corporation's accounts.

The Auditor-General qualified the financial statements of WorkCover and the Workers' Compensation (Dust Diseases) Board for similar reasons. Despite the Auditor-General's recommendation to amend the standards, no conclusive action has been taken by the relevant authorities.

From 1 January 2005, however, Australia will adopt the International Accounting Standards. These include a proposed standard on recognising and measuring financial instruments (IAS 39). This standard will allow the Corporation to recognise changes in the value of its investments as income/expense.

In relation to the Sydney Catchment Authority and the Department of Public Works and Services, the Committee found that both agencies had rectified the problems. The report was tabled in November 2002.

Valuation of the Australian Museum's Collection Assets

As part of its role in following-up Auditor-General's reports, the Committee visited the Museum to examine the progress of the valuation. In recent years, the Auditor-General has qualified the accounts of the Total State Sector because the Museum had not valued its collection. This qualification also extended to the Museum's financial statements.

In addition to its inspection, the Committee received a written submission from Senior Management concerning progress of the valuation. The Committee found the Museum's management was committed to completing the work. The final valuation was not ready in time for the 2001-02 accounts, however, the Museum anticipated it would be ready for 2002-03.

The valuation will assist the Museum in managing the collection. For instance, it will now be more confident that it has secured the appropriate level of insurance. The Committee congratulated the Museum on making good progress. It noted that the valuation would enable the Museum to better manage the collection in future.

Follow-Up Investigations Still Pending

During the year under review, the Committee also commenced follow-up investigations into three other agencies with accounting matters of concern to



the Auditor-General. In June 2002, the Committee resolved to hold public hearings into the following matters:

- State Forests' practice of trading with customers who have defaulted on renegotiated repayment terms;
- First Home Owner Grant Scheme; and
- The Aboriginal Land Councils Mortgage Loan Investment Scheme.

The hearings were held on 24 October, 2002 and at the time of going to print, the reports are being prepared for tabling.

Inquiry into the School Student Transport Scheme

In February 2002, the Chairman tabled the Committee's report on an Inquiry into the School Student Transport Scheme (SSTS). This Inquiry arose because of the Committee's concern about the sustained increasing costs of the scheme to the taxpayers of NSW. At the beginning of the 1990s, the total cost of the scheme was \$264 million. In 2001/2002, the budget was \$416 million.

Of major concern was the apparent failure of the Department of Transport to undertake detailed quantitative analysis of the reasons for the increasing costs of the SSTS. Furthermore, the Committee found there were discrepancies in data reported in Annual Reports, recent Budget Papers and information supplied directly from the Department upon request by the Committee.

The Committee found the key driver of increasing costs of the scheme over recent years is likely to be increasing transport fares. Many witnesses before the Committee, particularly the Department of Transport, argued education policies such as de-zoning were the main cause for the increasing costs of the scheme. However, there is evidence that factors directly under the control of the Department of Transport appear to have driven the cost of the SSTS.

The Committee found the key cause of the increasing costs of the scheme over recent years has been real increases in fares charged by commercial bus operators, which are determined by the Department of Transport.

The Committee's report considered a number of options for reform within the current delivery arrangements and explored broader structural reforms and alternatives. The Committee has been informed that the Departments of Transport and Education have instigated a review of the scheme in 2002.

Inquiry Into Court Waiting Times

In June 2002, the Committee tabled its report on court waiting times. This inquiry generated a whole range of issues that needed to be addressed. Firstly, the Committee needed to note the judiciary's concerns regarding the application of "private sector style" performance management in the court system. This



method focuses on quantifiable issues, whereas some court performance indicators, such as the quality of justice, do not easily lend themselves to such an approach.

The Committee, found, however, that reducing delay is an appropriate goal for both the judiciary and court administrators, as long as efforts to improve court efficiency do not adversely impact the legal system's ability to deliver fair outcomes.

The inquiry noted that there are a large number of organisations involved in the justice system, and the actions of one can affect many others. Nowhere else in the public sector do the activities of individuals, professions and diverse agencies interlock in such a complex manner. The Committee's report, therefore examined other justice agencies and groups, in addition to the courts and the Attorney-General's Department.

The report states that most of the recommendations made in the past are being implemented. The remaining task is to develop the new Courts Administration System, a general, interlocked database, that will allow the courts to better plan and adjust resources in response to changes in caseload.

The Committee found the court waiting times are beginning to improve, especially in criminal waiting times in the Supreme and District Courts. The District Court has maintained steady civil performance in the face of a rapidly growing caseload. The Local Court has continued its strong performance in comparison to similar jurisdictions in Australia.

Inquiry Into Delays In The Planning, Approval And Construction Of Schools

In September 2001, the Committee resolved to conduct an inquiry into delays in the planning, approval and construction of schools.

The Committee decided to initiate this inquiry because of the high level of public concern, especially among Members of Parliament, about delays in completing major school construction projects compared to the announced dates in the State Budget papers.

As part of the inquiry, the Committee advertised for submissions and held a public hearing on 20 June 2002. Witnesses included senior representatives of PlanningNSW, Treasury, and the departments of Education and Training (DET) and Public Works and Services (DPWS).

The terms of reference for the Inquiry were:

- the relationship between DET, DPWS and local councils;
- the impact of the four year State Asset Acquisition Program projections in the Budget Papers;



- the adequacy of planning for schools by DET & DPWS prior to the public announcements of projects; and
- public consultation and community expectations.

The report was not completed for tabling in the year under review, however, the Committee notes that, since the announcement of this inquiry, there have been attempts to improve the performance of the agencies involved. In hearings the Committee learned that a high level working group with representatives from PlanningNSW, DET and DPWS has been established to address planning approval issues.

Review of the Auditor-General's Office

In February 2002, the Committee resolved to commence a review of the Audit Office of New South Wales, as required under Section 48A of the *Public Finance and Audit Act 1983*. This provision commenced in March 1992 and stipulates a review of the Audit Office to be conducted at least every three years. The review is to examine the auditing standards and practices of the Audit Office. The Committee appoints a reviewer, who must comply with any directions by the Committee.

Previous reviews have been conducted by a variety of reviewers according to varying terms of reference, determined specifically for each separate review by the Committee in consultation with expert parties and the Auditor-General.

The previous review was tabled in February 2000. This was conducted by Allen Craswell, then Professor of Accounting at Sydney University. The penultimate review was tabled in April 1996. This was conducted by a panel of five experts from the public and private sectors and academic and professional accountants conducted the review. The panel was supported by three consulting firms from the big six (at the time).

At the time of going to print, the Committee had advertised a tender for the review contract and was evaluating submissions from private sector auditing firms with a view to appointing a reviewer by the end of the Parliamentary Session.

A public hearing on the role and activities of the Audit Office of New South Wales was held on 6 June 2002. Witnesses were the Auditor-General, Mr Robert Sendt and the Deputy Auditor-General, Mr Tony Whitfield. The comments of these witnesses assisted the Committee in formulating the final terms of reference for the forthcoming review.



Australasian Council of Public Accounts Committees

The Australasian Council of Public Accounts Committees (ACPAC), consisting of all public account committees in Australia, New Zealand and Papua New Guinea, meets annually. The Council operates on a two year cycle, with a biennial conference and a mid-term meeting each alternate year.

The Chairman and Committee Manager attended the mid-term meeting of the Australasian Council of Public Accounts Committees in Melbourne on 7 February 2002.

A major issue of discussion was a proposal to form an International Council of PACs (ICPAC). The meeting also made a number of arrangements for the 2003 conference and discussed proposals to change ACPAC's constitution.



Appendix One

Public Accounts Committee Reports and Origin of Committee Inquiries

No.	Report	Reference From			Initiated by the PAC
		Minister	Treasurer	Auditor-General	
1	Expenditure without Parliamentary Sanction or Appropriation (November 1981)				A
2	Over-Expenditure in Health Funding to Hospitals (February 1982)				
3	Public Accountability in Public and Other Subsidised Hospitals (April 1982)				
4	Expenditure without Parliamentary Sanction or Appropriation (September 1982)				
5	Overtime Payments to Police (November 1982)				
6	Overtime Payments to Corrective Services Officers (May 1983)				
7	Accountability of Statutory Authorities (June 1983)				
8	Report on the Grain Sorghum Marketing Board (November 1983)				
9	Matters examined in relation to the Auditor-General's Report 1981-82 (December 1983)				A
10	Superannuation Liabilities of Statutory Authorities (August 1984)				
11	Annual Report for the Year Ended 30 June 1984 (August 1984)				
12	Matters examined in relation to the Auditor-General's Report 1982-83 (October 1984)				A
13	Proposed Regulations accompanying the <i>Annual Reports (Statutory Bodies) Act 1984</i> and the <i>Public Finance and Audit Act 1983</i> (January 1985)				
14	Investment Practices of New South Wales Statutory Authorities (June 1985)				A
15	Performance Review Practices in Government Departments and Authorities (June 1985)				
16	Brief Review of the Macarthur Growth Area (July 1985)				A
17	Brief Review of the Statutory Funds of the Department of Environment and Planning (July 1985)				A
18	Brief Review of the Land Commission of New South Wales (July 1985)				A
19	Annual Report for the Year Ended 30 June 1985 (September 1985)				
20	Report on Year-End Spending in Government Departments and Authorities (March 1986)				A
21	Follow-Up Report on Inquiries into the NSW Public Hospital System (April 1986)				F
22	Report on Recommended Changes to the Public Accounts (May 1986)				



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23	Report on Proposed Regulations Accompanying the <i>Annual Reports (Departments) Act 1985</i> and Miscellaneous Amendments Concerning Annual Reporting (May 1986)				
24	Follow-Up Report on Overtime Payments to Corrective Service Officers (June 1986)				F
25	Report on the Collection of Parking and Traffic Fines (July 1986)				A
26	Follow-Up Report on Annual Reporting of Statutory Authorities (July 1986)				F
27	Annual Report for the Year Ended 30 June 1986 (August 1986)				
28	Follow-Up Report on Overtime, Sick Leave and Associated Issues in the NSW Police Force (November 1986)				F
29	Report on the New South Wales Builders Licensing Board (December 1986)				
30	Report on the Brief Review of the Sydney Opera House Trust; Harness Racing Authority of New South Wales; and the New South Wales State Cancer Council (February 1987)				A
31	Report on the Film Corporation of New South Wales (June 1987)				A
32	Report on the Home Care Service of New South Wales (July 1987)				
33	Annual Report for the Year Ended 30 June 1987 (September 1987)				
34	Supplementary Report for the Year Ended 30 June 1987 (September 1987)				A, F
35	Report on the Wine Grapes Marketing Board for the Shires of Leeton, Griffith, Carrathool and Murrumbidgee and the Grain Sorghum Marketing Board (September 1987)				
36	Report on the Biennial Conference of Public Accounts Committees, Sydney – May 1987 (October 1987)				
37	Report on the Ravensworth Coal Washery (October 1987)				A
38	Proceedings of the Accrual Accounting Seminar held 5 February 1988 (May 1988)				
39	Report on the Purchasing Practices and the Allocation of Stores and Equipment Resources within the Technical and Further Education System (February 1988)				
40	Report on the Heritage Council of New South Wales (June 1988)				
41	Annual Report for the Year Ended 30 June 1988 (September 1988)				
42	Report on the Management of Arson in the Public Sector (January 1989)				
43	Report on Payments without Parliamentary Appropriation (February 1989)				
44	Report on the NSW Ambulance Service (February 1989)				
45	Report on the Payments to Visiting Medical Officers (June 1989)				
46	Annual Report for the Year Ended 30 June 1989 (October 1989)				
47	The Challenge of Accountability (November 1989)				

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48	Report on the Darling Harbour Authority (December 1989)				
49	Report on the NSW Auditor-General's Office (July 1990)				
50	Report on the Lord Howe Island Board (December 1990)				A
51	Annual Report for the Year Ended 30 June 1990 (October 1990)				
52	Report on the Forestry Commission (December 1990)				
53	Report on the Auditing of Local Government (January 1991)				
54	Examination of the Juvenile Transport Service of the Department of Family and Community Services (March 1991)				A
55	Report on Payment Performance of Major Statutory Authorities and Inner Budget Sector Departments (April 1991)				
56	Parliamentary Scrutiny of Performance Seminar held 9 November 1990 (April 1991)				
57	Report on Legal Services Provided to Local Government (May 1991)				
58	Annual Report for the Year Ended 30 June 1991 (October 1991)				
59	Report on the National Parks and Wildlife Service (December 1991)				
60	Report on Dividend Payments made by Statutory Authorities to the Consolidated Fund (April 1992)				A
61	Follow-Up Report on Financial Accountability (June 1992)				F
62	Phase One Report on the Public Accounts Committee Special Inquiry into the Port Macquarie Hospital Contract (June 1992)	LA			
63	Report of Proceedings of the Seminar to Review Progress of Financial Reform in the NSW Public Sector (June 1992)				
64	Report on the Progress of Financial Reform in the NSW Public Sector (June 1992)				
65	Public Accounts Committee – Ninetieth Anniversary (November 1992)				
66	Annual Report for the Year Ended 30 June 1992 (November 1992)				
67	Inquiry into Financing of Urban Infrastructure – Report on European Inspection Tour 30 October – 12 November 1992 (December 1992)				
68	Report on the School Student Transport Scheme (January 1993)				
69	Proceedings of the 90 th Anniversary Seminar on Internal Control and Audit (January 1993)				
70	Review of the Special Auditing Function of the NSW Auditor-General's Office (June 1993)				F
71	Internal Audit in the NSW Public Sector (June 1993)				
72	Funding of Health Infrastructure and Services in New South Wales (June 1993)	LA			



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73	Infrastructure Management and Financing in NSW Volume 1: From Concept to Contract – Management of Infrastructure Projects (July 1993)				
74	Inquiry into the Financing of Urban Infrastructure – Report on the United States Study Tour 28 August – 5 September 1993 (November 1993)				
75	Annual Report for the Year Ended 30 June 1993 (November 1993)				
76	The Financing of Infrastructure Projects – Discussion Paper (November 1993)				
77	Proceedings of the Conference on Risk & Return – Traditional & Innovative Financing for Infrastructure Projects (Vol. 1) (December 1993)				
78	Proceedings of the Seminar on Internal Audit – Implementation of Change (February 1994)				
79	Expansion of the Hawkesbury District Health Services (February 1994)				
80	Infrastructure Management and Financing in New South Wales – Public-Private Partnerships – Risk & Return in Infrastructure Financing (Vol. 2) (February 1994)				
81	Report on Public Defenders (June 1994)	MU			
82	Matters Arising from the Auditor-General's Reports (June 1994)				A
83	Preparations for the Peer Review of the Auditor- General's Office (June 1994)				
84	A Tale of Two Olympic Cities: Visit to Los Angeles and Montreal by the Public Accounts Committee (October 1994)				
85	Annual Report for the Year Ended 30 June 1994 (October 1994)				
86	Inquiry into State Debt Control (Balanced Budget) 1994 (December 1994)				
87	Co-ordination of Government Inputs into Overseas Projects – International Market Development Activities of NSW Marketing Boards (December 1994)				
88	Report on the Rural Assistance Authority (February 1995)	LA			
89	Proceedings of the Seminar on Accrual Accounting – The Scorecard to Date (February 1995)				
90	Annual Reports – Issue Paper (May 1995)				F
91	Report on Darling Harbour: Sporting Facilities (August 1995)				
92	Proceedings of the Seminar on Annual Reporting in the NSW Public Sector: The Best is Yet to Come, 9 August 1995 (September 1995)				F
93	Annual Report for the Year Ended 30 June 1995 (November 1995)				
94	Offshore and Off-Target – Why NSW lags in Overseas Projects (November 1995)				
95	Annual Reporting in the NSW Public Sector (The truth, the whole truth and nothing but the truth?) (April 1996)				

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96	Proceedings of the Seminar on Asset Valuation in the Public Sector: Issues in the Controversy (April 1996)				
97	Review of the Audit Office of NSW under section 48A of the <i>Public Finance and Audit Act 1983</i> (Volumes 1 & 2) (April 1996)				
98	Australasian Council of Public Accounts Committees Mid-Term meeting (Transcript of Proceedings) (May 1996)				
99	Customer Service in Courts Administration: The Missing Dimension A Review by the Public Accounts Committee of the Interim Performance Report by the NSW Audit Office into Courts Administration (June 1996)				F
100	Pioneers – Progress but at a Price. The Implementation of Accrual Accounting in the NSW Public Sector (June 1996)				
101	Matters arising from the NSW Auditor-General's Report for 1995 (June 1996)				A
102	Proceedings of the Conference on Public/Private Infrastructure Financing: Still Feasible? (October 1996)				
103	Annual Report for the Year Ended 30 June 1996 (May 1997)				
104	Proceedings of the Biennial Conference of the Australasian Council of Public Accounts Committees (May 1997)				
105	Proceedings of the Seminar on Debts and Debtors: Getting Better Results (May 1997)				
106	The Public's Debts to the State: Better Agency Collection, Higher State Revenue – Discussion Paper (November 1997)				
107	Follow-Up of Selected Public Accounts Committee Reports: 1988 – 1996 (June 1997)				F
108	Matters arising from the Auditor-General's Report for 1996 (June 1997)				A
109	Follow-Up Report to the Auditor-General's Performance Audit Report entitled <i>Effective Utilisation of School Facilities</i> (June 1997)				A
110	Follow-Up Report to the Auditor-General's Performance Audit Report entitled <i>Joint Operations in the Education Sector</i> (June 1997)				A
111	Annual Report for the Year Ended 30 June 1997 (November 1997)				
112	Legal Services to Local Government: Minimising Costs Through Alternative Dispute Resolution – Discussion Paper (November 1997)				
113	Proceedings of the Conference on Doing Business with the World Bank and the United Nations (December 1997)				
114	Proceedings of the Interactive Seminar on Dispute Management in Local Government (April 1998)				
115	Changing the Culture: Dispute Management In Local Councils (June 1998)				
116	Annual Report for the Year Ended 30 June 1998 (October 1998)				



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117	Follow-Up Report: Offshore and Off-Target Why NSW lags the field in overseas projects (November 1998)				F
118	Streamlining Payment of Overdue Debts (December 1998)				
119	Annual Report for the Year Ended 30 June 1999 (December 1999)				
120	Review of the Audit Office of New South Wales under section 48A of the <i>Public Finance and Audit Act 1983</i> (February 2000)				
121	Problems in the Administration of the <i>Public Finance and Audit Act 1983</i> during the review of the Audit Office of New South Wales (February 2000)				
122	ED100: Arrangements for the Provision of Public Infrastructure by other Entities: Disclosure Requirements – Discussion Paper (June 2000)				
123	Report on Cost Control in the Department of Juvenile Justice (July 2000)				A
124	Report on the Financial Disclosure of the WorkCover Scheme Statutory Funds (July 2000)				A
125	Report on the Long Term Financial Viability of the Waste Recycling and Processing Service (July 2000)				A
126	Inquiry into the Funding of Capital Projects by the New South Wales Government: Parramatta Rail Link Pre-Tender Procurement – A Case Study (January 2001)				
127	Submission to the Green Paper: "Working with Government – Private Financing of Infrastructure and Certain Government Services in NSW" (April 2001)				
128	Inquiry into the Collapse of the NSW Grains Board (May 2001)				A
129	Annual Report for the Year Ended 30 June 2000 (June 2001)				
130	Industry Assistance (June 2001)				A
131	Inquiry into the School Student Transport Scheme (February 2002)				
132	Annual Review (February 2002)				
133	Inquiry into Court Waiting Times (June 2002)				A
134	Case Studies and Issues in the Private Financing of Public Infrastructure and Services (October 2002)				
135	Delegation by the Minister for Health (October 2002)				A
136	Valuation of The Australian Museum's Collection Assets (November 2002)				A
137	Follow-Ups of Auditor-General's Reports to Parliament 2001: Omnibus Volume (November 2002)				A
138	Review of Reporting Requirements for Small Agencies - Discussion Paper (November 2002)				
139	Annual Review 2001-2002 (December 2002)				



Public Accounts Committee inquiries may be initiated by a reference from a Minister, the Legislative Assembly, the Auditor-General, or by the Committee itself.

Key	A	=	Matters raised in an Auditor-General's Report
	F	=	Follow-up inquiries by the Committee, but original inquiries may have been referred by a minister, the Auditor-General or the Treasurer
	LA	=	Reference from the Legislative Assembly
	MU	=	Reference from a minister following negotiations between the Independents, as a result of The Memorandum of Understanding



Appendix Two – Attendance

July 2001-June 2002

DATE	MEMBERS					
	TRIPODI	ALLAN	HODGKINSON	TORBAY	GLACHAN	COLLIER
24-July-2001	✓	✓	✓	✓	Apology	✓
05-Sept-2001	✓	✓	✓	✓	✓	✓
19-Sept-2001	✓	✓	✓	✓	✓	✓
17-Oct-2001	✓	Apology	✓	✓	✓	✓
07-Nov-2001	✓	✓	✓	✓	✓	✓
14-Nov-2001	✓	✓	✓	✓	✓	✓
28-Nov-2001	✓	Apology	✓	✓	✓	✓
05-Dec-2001	✓	Apology	✓	✓	✓	Apology
06-Dec-2001	✓	Apology	✓	✓	✓	✓
07-Dec-2001	✓	Apology	Apology	✓	✓	✓
11-Feb-2002	✓	✓	✓	Apology	✓	✓
27-Feb-2002	✓	✓	✓	✓	Apology	Apology
20-Mar-2002	✓	✓	✓	✓	✓	✓
10-Apr-2002	✓	✓	✓	✓	✓	✓
08-May-2002	✓	✓	✓	✓	✓	✓
29-May-2002	✓	✓	✓	✓	✓	✓
05-Jun-2002	✓	Apology	✓	✓	✓	✓
06-Jun-2002	✓	Apology	✓	✓	Apology	✓
19-Jun-2002	✓	Apology	✓	Apology	✓	✓
20-Jun-2002	✓	Apology	✓	✓	✓	✓
26-Jun-2002	✓	✓	✓	✓	✓	Apology



Appendix Three

Committee Expenses during 2001-2002

Members of the Committee receive an allowance for their service directly from the Legislature. The amount is determined by the Parliamentary Remuneration Tribunal under the *Parliamentary Remuneration Act 1989*. The Committee does not contribute to the allowances.

The Chairman of the Committee is entitled to a salary of office per annum equivalent to 7% of his/her annual salary in recognition of the responsibilities of the position. The Committee members receive an allowance of \$2,845 per annum in recognition of their responsibilities.