

Work in Progress

- 3.1 The Committee has had a full program of inquiry activity and other business. As well as the official inquiries, the Committee uses its regular meetings to receive private briefings on a range of subjects relevant to public administration and accountability. The Committee's current inquiry activities are detailed below.

Developments in aviation security

- 3.2 The Committee continued its reopened inquiry into aviation security in Australia. In addition to the inspections and hearings held last year in Sydney, Brisbane, Cairns, Darwin, Adelaide and Perth, the Committee visited Melbourne, Geraldton, Kalbarri, Carnarvon, Newman, Derby and Broome.
- 3.3 The inquiry has received submissions from 81 individuals and organisations, and 17 exhibits. The Committee will report in the second half of 2006.

Inquiry into certain taxation matters

- 3.4 On 7 December 2005 the Committee resolved to inquire into a range of taxation matters.
- 3.5 The terms of reference for the inquiry consist of two parts. Part A reviews the administration by the Australian Taxation Office (ATO) of the *Income Tax Assessment Act 1936* and 1997 (including the amendments contained in

the *Tax Laws Amendment (Improvements to Self Assessment) Bill (No. 2) 2005*) with particular reference to compliance and the rulings regime, including the following:

- the impact of the interaction between self-assessment and complex legislation and rulings;
- the application of common standards of practice by the ATO across Australia;
- the level and application of penalties, and the application and rate of the General Interest Charge and Shortfall Interest Charge; and
- the operation and administration of the Pay As You Go system.

3.6 Part B of the inquiry reviews the application of the fringe benefit tax regime, including any 'double taxation' consequences arising from the intersection of fringe benefits tax and family tax benefits.

3.7 The Committee has held public hearings in Canberra, Sydney, Melbourne and Launceston.

3.8 At September 2006 the inquiry had received submissions from 56 individuals and organisations, and 27 exhibits.

Financial reporting and equipment acquisition in Defence

3.9 On 1 March 2006 the Committee resolved to review the financial reporting and equipment acquisition of both the Department of Defence and Defence Materiel Organisation with particular attention to:

- progress in implementing Defence's financial remediation plans, relative to international best practice;
- progress in implementing the Kinnaird Reforms, relative to international best practice;
- Australia's relative achievements in procurement and financial reform relative to international best practice; and
- progress in Defence's adoption of international business accounting standards relative to international best practice.

3.10 At September 2006 the inquiry had received five submissions and conducted two public hearings in Canberra.

Reviews of Auditor-General's reports

- 3.11 At June 2006, the Committee was undertaking reviews of three 'batches' of Auditor-Generals reports.
- 3.12 The first review of reports of the Auditor-General consists of reports presented in Parliament between 18 January 2005 and 18 April 2005. The review includes the following reports:
- Combined review of Audit Report No. 22, Investment of Public Funds and Report No. 42, Commonwealth Debt Management;
 - Audit Report No. 30, Regulation of Commonwealth Radiation and Nuclear Activities; and
 - Audit Report No. 31, Centrelink's Customer Feedback Systems-Summary Report (ANAO Report Nos. 32-36 inclusive) and Audit Report No 40, The Edge Project.
- 3.13 The Committee held three public hearings in August and September of 2005 in support of the review. The Committee subsequently tabled its report of the review (*Report 407*) in September 2006.
- 3.14 The second review consists of Auditor-General's reports presented in Parliament between 17 May 2005 and 18 August 2005. This review includes the following reports:
- Audit Report No. 45, Management of Selected Defence System Program Offices;
 - Audit Report No. 50, Drought Assistance;
 - Audit Report No. 51, DEWR's oversight of Job Network services to job seekers;
 - Audit Report No. 58, Helping Carers: the National Respite for Carers Program, Department of Health and Ageing;
 - Audit Report No. 3, Management of the M113 Armoured Personnel Carrier Upgrade Project, Department of Defence; and
 - Audit Report No. 6, Implementation of Job Network Employment Services Contract 3.
- 3.15 The Committee held three public hearings in February 2005 and March 2005 in support of this review.
- 3.16 A third review, of Auditor-General's reports tabled between 25 August 2005 and 16 March 2006, includes the following reports:

- Audit Report No. 11, BSP Senate Order for Departmental and Agency Contracts;
- Audit Report No. 17, Administration of the Superannuation Lost Members Register;
- Audit Report No. 21, Audits of the Financial Statements of Australian Government Entities for the period ended 30 June 2005;
- Audit Report No. 23, IT Security Management;
- Audit Report No. 27, Management and Reporting on Expenditure on Consultants;
- Audit Report No. 28, Management of Net Appropriation Agreements
- Audit Report No. 29, Integrity of Electronic Customer Records;
- Audit Report No. 31, Roads to Recovery;
- Audit Report No. 32, Tender for Detention Centre Contract; and
- Audit Report No. 34, Advance Passenger Processing.

3.17 As of July 2006 the Committee had held five public hearings to review these reports.

3.18 The Committee will table a combined report on these reviews in late 2006.

Tony Smith MP
Chair

