

Report 373

- **Migrant settlement services**
- **Fringe benefits tax**
- **Green Corps**

Review of Auditor-General's reports
1998–99
Second half

Joint Committee of Public Accounts and Audit
March 2000
Canberra

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Foreword

This report is the review by the Joint Committee of Public Accounts and Audit (JCPAA) of the Auditor-General's reports tabled in the second half of 1998–99. From these, the Committee selected four reports for further examination. Three of these reports are discussed in this review.

The Committee reviewed *Audit Report No. 29*, into the provision of migrant settlement services by the Department of Immigration and Multicultural Affairs, because the report had identified several important management issues.

The review focussed on contract management, strategic management, the oversight of migrant resource centres, accommodation entitlements and the accuracy of program objectives. The Committee made one recommendation, proposing the clearer articulation and more consistent application of accommodation entitlements.

Audit Report No. 34 reviewed the administration of fringe benefits tax. The audit report suggested several ways in which administration could be improved in order to enhance compliance.

The Committee was particularly concerned at the cost of compliance with the fringe benefits tax, and recommended that this cost be monitored and that the Treasurer be kept informed of opportunities to reduce the complexity of the tax.

Audit Report No. 42 reviewed the establishment and operation of Green Corps. As the delivery of government services and programs by third party providers becomes more common, it is important that these arrangements are monitored to ensure that they provide taxpayers with the best possible value for money. The audit report found that the overall efficiency of the program had been undermined by some administrative shortcomings.

This review takes the opportunity to commend the efforts of those involved with the Green Corps program, and recommends further analysis of the cost effectiveness of the program.

Audit Report No. 25 examined the sale of DASFLEET. The Committee's consideration of this report will be tabled at a later date.

Bob Charles MP
Chairman



Membership of the Committee

Chair Mr R Charles MP

Deputy Chair Mr D Cox MP

Members Mr K Andrews MP

Mr M Brough MP

Mr P Georgiou MP

Ms J Gillard MP

Hon A Somlyay MP

Mr L Tanner MP

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Senator the Hon B Gibson AM

Senator J Hogg

Senator A Murray

Senator J Watson

Membership of the Sectional Committee on Auditor-General's reports

Chair	Mr R Charles MP	
Deputy Chair	Mr D Cox MP	
Members	Mr M Brough MP	Senator the Hon B Gibson AM
	Mr P Georgiou MP	Senator A Murray
	Ms J Gillard MP	
	Hon A Somlyay MP	
	Mr L Tanner MP	

Committee Secretariat

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Duties of the Committee

The Joint Committee of Public Accounts and Audit is a statutory committee of the Australian Parliament, established by the *Public Accounts and Audit Committee Act 1951*.

Section 8(1) of the Act describes the Committee's duties as being:

- (a) to examine the accounts of the receipts and expenditure of the Commonwealth, including the financial statements given to the Auditor-General under subsections 49(1) and 55(2) of the *Financial Management and Accountability Act 1997*;
- (b) to examine the financial affairs of authorities of the Commonwealth to which this Act applies and of inter-governmental bodies to which this Act applies;
- (c) to examine all reports of the Auditor-General (including reports of the results of performance audits) that are tabled in each House of the Parliament;
- (d) to report to both Houses of the Parliament, with any comment it thinks fit, on any items or matters in those accounts, statements and reports, or any circumstances connected with them, that the Committee thinks should be drawn to the attention of the Parliament;
- (e) to report to both Houses of the Parliament any alteration that the Committee thinks desirable in:
 - (i) the form of the public accounts or in the method of keeping them; or
 - (ii) the mode of receipt, control, issue or payment of public moneys;
- (f) to inquire into any question connected with the public accounts which is referred to the Committee by either House of the Parliament, and to report to that House on that question;

- (g) to consider:
 - (i) the operations of the Audit Office;
 - (ii) the resources of the Audit Office, including funding, staff and information technology;
 - (iii) reports of the Independent Auditor on operations of the Audit Office;
- (h) to report to both Houses of the Parliament on any matter arising out of the Committee's consideration of the matters listed in paragraph (g), or on any other matter relating to the Auditor-General's functions and powers, that the Committee considers should be drawn to the attention of the Parliament;
- (i) to report to both Houses of the Parliament on the performance of the Audit Office at any time;
- (j) to consider draft estimates for the Audit Office submitted under section 53 of the *Auditor-General Act 1997*;
- (k) to consider the level of fees determined by the Auditor-General under subsection 14(1) of the *Auditor-General Act 1997*;
- (l) to make recommendations to both Houses of Parliament, and to the Minister who administers the *Auditor-General Act 1997*, on draft estimates referred to in paragraph (j);
- (m) to determine the audit priorities of the Parliament and to advise the Auditor-General of those priorities;
- (n) to determine the audit priorities of the Parliament for audits of the Audit Office and to advise the Independent Auditor of those priorities;
and
- (o) any other duties given to the Committee by this Act, by any other law or by Joint Standing Orders approved by both Houses of the Parliament.



List of abbreviations

ANAO	Australian National Audit Office
ATCV	Australian Trust for Conservation Volunteers
ATO	Australian Taxation Office
CRS Scheme	Community Refugee Settlement Scheme
CSS Scheme	Community Settlement Services Scheme
DETYA	Department of Education, Training and Youth Affairs
DIMA	Department of Immigration and Multicultural Affairs
FBT	Fringe Benefits Tax
MRC	Migrant Resource Centre
OAA Scheme	On-Arrival Accommodation Scheme



List of recommendations

Chapter 2

Audit Report No. 29 Provision of Migrant Settlement Services by DIMA

Recommendation 1

The Committee recommends that the Department of Immigration and Multicultural Affairs formulate guidelines that articulate precisely the accommodation entitlements of newly arrived migrants.

Further, the Committee recommends that these guidelines be implemented consistently. (Paragraph 2.35)

Chapter 3

Audit Report No. 34 Fringe Benefits Tax

Recommendation 2

The Committee recommends that the Australian Taxation Office continue to monitor the cost of compliance and advise the Treasurer of opportunities to reduce the complexity of fringe benefits tax.

(Paragraph 3.37)

Chapter 4

Audit Report No. 42 The Establishment and Operation of Green Corps

Recommendation 3

The Committee recommends that the Department of Education, Training and Youth Affairs undertake analysis of the cost effectiveness of the Green Corps program. (Paragraph 4.33)

