
The Parliament of the Commonwealth of Australia

Report 418

Review of Auditor-General's Reports Nos. 04 to 38 (2009-10)

Joint Committee of Public Accounts and Audit

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Foreword

The Joint Committee of Public Accounts and Audit, as prescribed by the *Public Accounts and Audit Committee Act 1951* examines all of the reports of the Auditor-General tabled in the Parliament. This report details the findings of the Committee's examination of the audit reports tabled between September 2009 and May 2010, during the 42nd Parliament. This report is presented on behalf of the Committee of the previous Parliament, which undertook all of the public hearings.

The Committee examined nine reports covering a range of agencies and identified a number of areas of ongoing concern, including grants administration, the implementation of new technology, risk management and data integrity.

The Committee reviewed the administration of grants by the National Health and Medical Research Council (NHMRC). The Committee acknowledged the benefits to Australian health flowing from research supported by the NHMRC grants system and noted the upheaval caused by the NHMRC's recent separation from the Department of Health and its move to a statutory agency. The Committee recognised that NHMRC is still consolidating its new status but was pleased to see evidence of a tightening in administrative practices, processes and procedure.

The Committee examined the implementation of the Change Program by the Australian Taxation Office. While the Committee noted the significant productivity gains within the Tax Office, it expressed concern about the extent of ongoing client dissatisfaction with the system and the subsequent undermining of confidence in the integrity of Australia's taxation system. The incoming Committee will continue to monitor this situation at the next Biannual Hearing with the Taxation Commissioner.

The Committee also expressed concern over the long term issue of staff churn at AusAID, particularly in light of the growing demands placed on the agency by Australia's expanding aid program. The Committee acknowledged that AusAID is taking positive steps to combat the effects of staff churn on the agency and recommended that AusAID report back to the JCPAA within twelve months of the

tabling of this report on the effectiveness of the draft workplace plan in alleviating this issue.

The Committee reviewed audit reports on a number of controversial topics including the National Broadband Network request for proposal process, the coordination and reporting of Australia's climate change measures and the Building the Education Revolution program. The Committee identified issues with risk management, data integrity and reporting processes and the effect these issues have had on implementation and delivery.

I would like to take this opportunity to thank the previous Committee, chaired by Sharon Grierson MP, for their work. The incoming Committee recognises the important role that the process of scrutinising the reports of the Auditor-General plays in holding the executive and its agencies to account, and looks forward to continuing that process. The Committee will continue to work with the Auditor-General to strengthen accountability and transparency and public administration across the Australian government.

Robert Oakeshott MP
Chair



Membership of the Committee

42nd Parliament

Chair Ms Sharon Grierson MP

Deputy Chair Mr Petro Georgiou MP

Members	Hon Dick Adams MP (from 17/08/09)	Senator Guy Barnett
	Hon Arch Bevis MP	Senator Mark Bishop
	Hon Bronwyn Bishop MP	Senator David Bushby (until 02/02 /10)
	Mr David Bradbury	Senator David Feeney
	Mr Jamie Briggs MP	Senator Helen Kroger (from 02/02/10)
	Mr Mark Butler MP (until 15/06/09)	Senator Kate Lundy
	Ms Catherine King MP	
	Hon Sussan Ley MP (from 03/02/10)	
	Mr Shayne Neumann MP	
	Mr Stuart Robert MP (until 03/02 /10)	

43rd Parliament

Chair Mr Rob Oakeshott MP

**Deputy
Chair** Mrs Yvette D'Ath MP

Members	Hon Dick Adams MP	Senator Guy Barnett
	Mr Jamie Briggs MP	Senator Mark Bishop
	Ms Gai Brodtmann MP	Senator Annette Hurley
	Mr Darren Cheeseman MP	Senator Helen Kroger
	Mr Josh Frydenberg MP	Senator Glenn Sterle
	Ms Deb O'Neill MP	
	Ms Laura Smyth MP	
	Hon Alexander Somlyay MP	

Committee Secretariat

Secretary Mr Russell Chafer

Research Officers Dr Narelle McGlusky



List of abbreviations

AGO	Australian Greenhouse Office
ANAO	Australian National Audit Office
APS	Australian Public Service
AQIS	Australian Quarantine and Inspection Service
ATO	Australian Taxation Office
AusAID	The Australian Agency for International Development
AusLink Act	<i>AusLink (National Land Transport) Act 2005</i>
BER	Building the Education Revolution
BGA	Block Grant Authority
BOM	Bureau of Meteorology
CEO	Chief Executive Officer
COAG	Council of Australian Governments
CPE	Change Program Executive
CPGs	Commonwealth Procurement Guidelines
CPRS	Carbon Pollution Reduction Scheme

CPSC	Change Program Steering Committee
CRM	client relationship management system
Customs	Australian Customs and Border Protection Service
DBCDE	Department of Broadband, Communications and the Digital Economy
DCC	Department of Climate Change
DCCEE	Department of Climate Change and Energy Efficiency
DEEWR	Department of Education, Employment and Workplace Relations
DEWHA	Department of Environment, Water, Heritage and the Arts
DIAC	Department of Immigration and Citizenship
DITRDLG	Department of Infrastructure, Transport, Regional Development and Local Government
DoHA	Department of Health and Ageing
DRET	Department of Resources, Energy and Tourism
ECP	Entry Control Point
FAGs	Financial Assistance Grants
FBT	Fringe Benefits Tax
FHSA	First Home Savers Account
FMA	<i>Financial Management and Accountability Act (1997)</i>
FTTN	fibre-to-the-node
FTTP	fibre-to-the-premises
G20	Group of Twenty
GGAP	Greenhouse Gas Abatement Program
GHG	Greenhouse Gas
GIC	General Interest Charge

GNI	gross national income
GRP	Grant Review Panel
HR	Human Resources
ICP	Integrated Core Processing
ICT	Information and Communications Technology
IMS	Infrastructure Management System
IT	Information Technology
JCPAA	Joint Committee of Public Accounts and Audit
KPI	Key Performance Indicator
Labor	Australian Labor Party
LETDF	Low Emissions Technology Demonstration Fund
LGA	Local Government Authority
LULUCF	land use, land use change and forestry
MDGs	Millennium Development Goals
MoU	Memorandum of Understanding
Mpbs	megabits per second
MREA	Medical Research Endowment Account
Mt CO ₂ e	Millions of tonnes of carbon dioxide equivalents
NBN	National Broadband Network
NGER Act	<i>National Greenhouse and Energy Reporting Act 2007</i>
NHMRC	National Health and Medical Research Council
NHMRC Act	<i>National Health and Medical Research Council Act 1992</i>
NPA	National Partnership Agreement

NSSP	National Solar Schools Program
ODA	official development assistance
ODE	Office of Development Effectiveness
OECD	Organisation for Economic Co-operation and Development
P21	Primary Schools for the 21 st Century
PACE	Passenger Analysis, Clearance and Evaluation system
Panel	Panel of Experts
PBS	Portfolio Budget Statement
PFS	Practice Statement Framework
R2R	Roads to Recovery
R2R Act	<i>Roads to Recovery Act 2000</i>
RFP	Request for Proposal
RGMS	Research Grant Management System
RRPGP	Renewable Remote Power Generation Program
SHCP	Solar Homes and Communities Plan
SHWR	Solar Hot Water Rebate
SME	Small and Medium Enterprise
SOPs	Standard Operating Procedures
SPBC	Strategic Priorities and Budget Committee of Cabinet
TAS	Tax Administration System
Tax Office	Australian Taxation Office
The Deed	Deed of Agreement
UNFCCC	United Nations Framework Convention on Climate Change



List of recommendations

3 The Australian Taxation Office's Implementation of the Change Program: a strategic overview

Recommendation 1 44

The Committee recommends that the Australian Taxation Office provide a report on customer satisfaction with the new system, including detailed examination of complaints received, at the next Biannual Hearing with the Committee.

5 AusAID's Management of the Expanding Australian Aid Program

Recommendation 2 68

The Committee recommends that the Australian Agency for International Development (AusAID) report back to the Joint Committee of Public Accounts and Audit within twelve months of the tabling of this report on the effectiveness of the draft workforce plan in alleviating staff churn, quantifying any changes.

Recommendation 3 72

The Committee recommends that the Australian Agency for International Development (AusAID) report back to the Joint Committee of Public Accounts and Audit within twelve months of the tabling of this report on the development and implementation of guidelines on the classification of administered and departmental expenses.

8 Coordination and Reporting of Australia's Climate Change Measures

Recommendation 4 119

The Committee recommends that the Department of Climate Change and Energy Efficiency provide the Committee with a progress report within 12 months of the tabling of this report on the concrete measures that have been implemented to improve the effectiveness of Australian government abatement programs.

The report should include:

- a copy of the finalised abatement measurement guidelines;
- examples of how 'business as usual' factors and other economic drivers have been taken into account when measuring individual estimates; and
- a copy of the annual report showing the consolidated abatement figures across responsible agencies.

