
The Parliament of the Commonwealth of Australia

Report 414

**Review of Auditor-General's Reports tabled between August 2007
and August 2008**

Joint Committee of Public Accounts and Audit

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Foreword

The Joint Committee on 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 first two batches of audit reports it examined in the 42nd Parliament.

The five reports chosen by the Committee cover a range of agencies and highlight a number of areas of concern, including the need to document processes and procedures to better understand and manage risk as well as the need for staff training to ensure more effective and efficient use of existing systems.

The Committee reviewed an Audit Report assessing how four departments are implementing the change to a whole-of-government approach to the delivery of Indigenous services. While the Committee was satisfied overall with the progress being made we feel that the process can be improved. Accordingly we recommend that the risks and challenges identified be documented and that staff training programs be developed to increase awareness of these risks. Further, the Committee would like to see an action plan developed and published to track improvements in Indigenous life expectancy.

As a result of the investigation into the Australian Government's two natural resource management programs, we have identified the need for a clear set of procedures to ensure State and Territory compliance with bilateral agreements. The Committee acknowledges the difficulties inherent in operating these diverse programs but is concerned with ongoing and recurring problems in monitoring and reporting. We are therefore requesting a progress report from the relevant departments detailing implementation of both the ANAO and Committee recommendations.

In reviewing the completeness and reliability of the estimates reported in the *Taxation Expenditure Statement 2006*, we were primarily concerned that Treasury is not complying with the *Charter of Budget Honesty Act 1998* and will pursue this matter further with both Treasury and ANAO. To improve the quality of the *Tax*

Expenditure Statement, we recommend that Treasury include two additional pieces of information: calculations regarding the twenty largest tax expenditures using both the revenue foregone and revenue gained methods to allow comparison with the Budget Papers, and information on the extent of which tax expenditure reporting has improved through the receipt of reliable data from other agencies. We also suggest that Treasury investigate the Canadian model of taxation expenditure reporting to determine if it provides a more complete picture for public and Parliamentary scrutiny.

In this batch of reports, we followed up on the previous examination of Centrelink's management of customer debt undertaken in 2004-05. We were pleased to see that the Audit Report found that Centrelink had successfully implemented the majority of the recommendations from both the previous ANAO report and the subsequent JCPAA inquiry. However, there are still inconsistencies across the network and the Committee recommends that Centrelink identify regions that have been particularly successful in managing debt, examine their processes and implement best practice methods across the network. Of primary concern to the Committee was Centrelink's ageing debt base. We have asked Centrelink to conduct a review to determine the reasons why the debt base continues to age and report back to the Committee.

Finally the Committee looked at the Audit Report assessing the regulatory function of the Australian Communications and Media Authority (ACMA) under the *Australian Communications and Media Authority Act 2005*. We found that ACMA's complaint handling process is *ad hoc* and unsystematic and recommend that ACMA reform its processes to ensure a more efficient and faster handling of complaints. We urge ACMA to complete development of a complaints handling manual and recommend the introduction of a formal training program for all staff handling complaints which would incorporate effective use of the ACMA Information Management System database.

Sharon Grierson MP
Chair



Membership of the Committee

Chair	Ms Sharon Grierson MP (Chair)	
Deputy Chair	Mr Petro Georgiou MP (Deputy Chair)	
Members	Hon Bob Baldwin MP (until 25/9/08)	Senator Guy Barnett (from 11/2/09)
	Hon Arch Bevis MP	Senator Mark Bishop
	Hon Bronwyn Bishop MP (from 25/9/08)	Senator Sue Boyce (from 1/7/08 until 11/1/09)
	Mr David Bradbury MP	Senator David Bushby (from 1/7/08)
	Mr Jamie Briggs MP (from 25/9/08)	Senator David Feeney (from 1/7/08)
	Mr Mark Butler MP (until 15/6/09)	Senator Grant Chapman (until 30/6/08)
	Ms Catherine King MP	Senator John Hogg (until 26/8/08)
	Mr Scott Morrison MP (until 25/9/08)	Senator Kate Lundy
	Mr Shayne Neumann MP	Senator Andrew Murray (until 30/6/08)
	Mr Stuart Robert MP	Senator John Watson (until 30/6/08)

Committee Secretariat

Committee Secretary Mr Russell Chafer

Senior Research Officers Mr Shane Armstrong

Dr Narelle McGlusky



List of abbreviations

AAO	Administrative Arrangements Order
ACMA	Australian Communications and Media Authority
AGIE	Australian Government Indigenous Expenditure
AIMS	ACMA Information Management System
ANAO	Australian National Audit Office
ATSIC	Aboriginal and Torres Strait Islander Commission
ATSIS	Aboriginal and Torres Strait Islander Services
CBH Act	<i>Charter of Budget Honesty Act 1998</i>
COAG	Council of Australian Governments
DAA	Department of Aboriginal Affairs
DAFF	Department of Agriculture, Fisheries and Forestry
DEEWR	Department of Education, Employment and Workplace Relations
DEST	Department of Education, Science and Training
DEWHA	Department of the Environment, Water, Heritage and the Arts
DEWR	Department of Employment and Workplace Relations
DoHA	Department of Health and Ageing

FaCSIA	Department of Families, Community Services and Indigenous Affairs
IAA	Indigenous Affairs Arrangements
ICC	Indigenous Coordination Centres
JCPAA	Joint Standing Committee of Public Accounts and Audit
MAC	Management Advisory Council
MOU	Memorandum of Understanding
MTF	Ministerial Taskforce on Indigenous Affairs
MYEFO	Mid-Year Economic and Fiscal Outlook
NAP	National Action Plan for Salinity and Water Quality
NHT	Natural Heritage Trust
NRM	Natural Resource Management
OECD	Organisation for Economic and Co-operation and Development
PM&C	Prime Minister & Cabinet
SES	Senior Executive Service
SGIA	Secretaries' Group on Indigenous Affairs
TES	Taxation Expenditures Statement



List of recommendations

2 Audit Report No. 10 2007-2008, Whole of Government Indigenous Service Delivery Arrangements

Recommendation 1 18

That the Department of Families, Housing, Community Services and Indigenous Affairs, as the lead agency in Indigenous service delivery identify, document and address the risks and challenges of delivering Indigenous services in a whole of government context with a view to refining and improving service delivery.

Recommendation 2 19

That the Department of Families, Housing, Community Services and Indigenous Affairs as lead agency, in conjunction with the Department of Prime Minister and Cabinet, use the findings from its risk management activities to enhance staff training programs. Further, that these staff training programs emphasise delivering services through a whole of government approach, and with a culture of continuous improvement.

Recommendation 3 21

That the Department of Families, Housing, Community Services and Indigenous Affairs, and the Department of Prime Minister and Cabinet develop and publish an action plan and strategies associated with the output and outcome of improved Indigenous life expectancy.

3 Audit Report No. 21 2007-2008, Regional Delivery Model for the National Heritage Trust and the National Action Plan for Salinity and Water Quality

Recommendation 4 34

That the Department of Environment, Water, Heritage and the Arts and the Department of Agriculture, Fisheries and Forestry develop a clear set of procedures to deal with any future cases of State and Territory non-compliance with bilateral agreements and provide a copy of said procedures to the Committee within twelve months of the tabling of this report.

Recommendation 5 39

That the Department of Environment, Water, Heritage and the Arts and the Department of Agriculture, Fisheries and Forestry use quantitative reporting against outcomes alongside the use of 'performance stories' in monitoring and evaluating programs.

Recommendation 6 40

That the Department of Environment, Water, Heritage and the Arts and the Department of Agriculture, Fisheries and Forestry produce a progress report to be presented to the Committee within 18 months of the tabling of the Australian National Audit Office audit.

The progress report should advise the Committee on implementation of the Australian National Audit Office recommendations detailed in the audit report, as well as compliance with the Australian National Audit Office *Better Practice Guide in Annual Performance Reporting for the Caring for our Country* program.

4 Audit Report No. 32 2007-2008, Preparation of the Tax Expenditures Statement

Recommendation 7 52

That Treasury publish a paper for inclusion in the Tax Expenditures Statement calculating the twenty largest tax expenditures using both the revenue foregone and revenue gained methods to allow comparison with the Budget Papers.

Recommendation 8 55

That Treasury further investigate the merits of the Canadian model of taxation expenditure reporting, publishing its findings in the paper proposed in Recommendation 7.

Recommendation 9	56
That Treasury include information in the Budget Papers on the extent to which tax expenditure reporting has improved through the receipt of reliable data from other agencies.	
5 Audit Report No. 42 2007-2008, Management of Customer Debt – Follow-up Audit	
Recommendation 10	64
That Centrelink obtain a regional breakdown of debt recovery successes and identify ways to improve debt recovery by examining methods used by the most successful regions. Further, that Centrelink identify regions with low customer debt and identify the ways in which these regions minimise customer debt.	
Recommendation 11	65
That Centrelink conduct a review to determine the cause of its ageing debt base, and that it reports its findings back to the Committee within six months of the tabling date of the Committee’s report.	
Recommendation 12	67
That Centrelink, Department of Education, Employment and Workplace Relations and the Department of Families, Housing, Community Services and Indigenous Affairs conduct an empirical analysis to determine a cost-effective debt waiver, and that this figure be reported to the Committee within six months of the tabling of the Committee’s report.	
6 Audit Report No. 46 2007-2008, Regulation of Commercial Broadcasting	
Recommendation 13	81
That Australian Communications and Media Authority:	
<ul style="list-style-type: none"> ■ develop a formal mechanism for following up with complainants to determine their level of satisfaction with the response received from the body they were directed to; ■ include information on following up with complainants in its new complaints handling manual; and ■ liaise with the Commonwealth Ombudsman to benchmark its complaint handling systems. 	

Recommendation 14..... 83

That Australian Communications and Media Authority:

- impose a mandatory maximum response time of four weeks by broadcasters to complaints handled through the Australian Communications and Media Authority from the time the Australian Communications and Media Authority informs the broadcaster of the complaint;
- provide complainants with a copy of the preliminary draft report for review; and
- give broadcasters and complainants a mandatory maximum response time of two weeks to review and respond to the Australian Communications and Media Authority's preliminary draft report unless there are exceptional circumstances.

Recommendation 15..... 83

That broadcaster compliance with the requirements in Recommendation 14 be published in the Australian Communication and Media Authority's Annual Report.

Recommendation 16..... 85

That the Australian Communications and Media Authority conduct a formal training program for all complaint handling staff in recording and responding to complaints using the Australian Communications and Media Authority Information Management System database and that the Australian Communications and Media Authority look at ways of improving the capture of data in the database.

