

Standing Committee on Finance and Public Administration

ANSWER TO QUESTION ON NOTICE

Budget Estimates Hearing – May 2010

Finance and Deregulation Portfolio

Outcome 2, Program 2.3

Topic: ANAO Report

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Senator Cameron asked:

Senator CAMERON—The ANAO report, and I really find this quite amazing, said under the Howard government:

The overall decision making framework for advertising campaigns, which was largely settled in the 1980s, was not well aligned with the requirements of the current financial framework.

Can someone explain what that criticism was about?

Mr Grant—I am sorry; I cannot. You would have to ask the ANAO. It is a fairly dated report now.

Senator CAMERON—November 2007.

Mr Grant—I am sorry. I just cannot answer it.

Senator CAMERON—Could you take that on notice for me? It is not the question of when this report—

Mr Grant—I will ask the ANAO.

Senator CAMERON—I want to put this to you. It is not the question of when the report was delivered. It is the fundamentals and the issues that are raised in this that are important.

Mr Grant—I understand.

Senator CAMERON—Do you agree?

Ms Mason—Senator, I suspect—

Senator CAMERON—Sorry; do you agree with that?

Ms Mason—I suspect the comment is to do with the previous arrangements predating the introduction of the Financial Management and Accountability Act. I suspect it is related to that, but perhaps we should go away and check.

Answer:

The Australian National Audit Office (ANAO) has advised that:

The key element in respect of the alignment of the Ministerial Committee on Government Communications (MCGC) processes, and the overall decision making framework for advertising campaigns, was the fragmentation in existing processes

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and operations of the MCGC at the time that the new *Financial Management and Accountability (FMA) Act 1997* and associated regulations and guidelines came into effect on 1 January 1998.

In this respect the major concerns were around the requirement for the approver of expenditure (including a Minister or Ministers acting collectively) to be satisfied that the proposed expenditure represents efficient and effective use of public money.