PUBLIC ACCOUNTS
AND ESTIMATES COMMITTEE

SEVENTY-SEVENTH REPORT TO THE PARLIAMENT

2006-07 ANNUAL REPORT

October 2007

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Kim Wells MP (Deputy Chair)
Greg Barber MLC
Richard Dalla-Riva MLC
Judith Graley MP
Janice Munt MP*
Martin Pakula MLC
Gordon Rich-Phillips MLC*
Robin Scott MP
Bill Sykes MP

* These members were appointed to the Committee on 20 March 2007 following assent to the *Parliamentary Legislation Amendment Act 2007*. 

The Committee was supported by a secretariat comprising:

Executive Officer: Valerie Cheong

Research Officers: Ian Claessen
Joanne Marsh

Specialist Advisors: Joe Manders
John Misiano

Business Support Officer: Jennifer Nathan

Office Manager: Karen Taylor
PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE
MEMBERSHIP – 56TH PARLIAMENT

Bob Stenholt MP – Chair
Kim Wells MP – Deputy Chair
Greg Barber MLC
Richard Dalla-Riva MLC
Judith Graley MP
Janice Munt MP
Martin Pakula MLC
Gordon Rich-Phillips MLC
Robin Scott MP
Bill Sykes MP
PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE
MEMBERSHIP – 55TH PARLIAMENT

Christine Campbell MP (Chair)
Bill Forwood MLC (Deputy Chair)
Bill Baxter MLC
Robert Clark MP
Danielle Green MP
James Merlino MP
Gordon Rich-Phillips MLC
Glenyys Romanes MLC
Adem Somyurek MLC

The Committee was supported by a secretariat comprising:

Executive Officer: Michelle Cornwell
Assistant Executive Officer: Jennifer Nathan
Research Officers: Ian Claessen
Pek Toh
Specialist Advisor: Trevor Wood
Office Manager: Karen Taylor
CHAIR’S FOREWORD

The Public Accounts and Estimates Committee transitioned from the 55th Parliament to new members of the 56th Parliament on 20 March 2007. It is with pleasure that as the new Chair, I present the 2006-07 Annual Report of the Committee. The Committee is not statutorily obligated to present an annual report but due to its considerable public interest responsibilities and the significant inquiries it undertakes annually that impact on government accountability and performance, the Committee has chosen to continue this annual reporting practice.

The Committee takes pride in building on the notable work of the previous Committee of the 55th Parliament, chaired by Christine Campbell MP and her deputy, Bill Forwood MLC. The Committee affirms that it will strive for continuous improvement in the breadth of its inquiries and the financial and economic performance focus of its reports to Parliament.

The Committee acknowledges the positive response from government to the previous Committee’s important recommendations in the:

- Report on 2004-05 Budget Outcomes (report no. 69)
- Report on the 2006-07 Budget Estimates (report no. 70)
- Report on Private investment in public infrastructure (report no. 71)

Committed to a process of innovation, the Committee has undertaken to implement different, relevant and new processes, in line with federal government practice, beginning with the Report on the 2007-08 Budget Estimates – Part One and the Report on the 2007-08 Budget Estimates – Part Two (report no. 73). These reports sought to better inform parliamentary debate in both Houses in considering the appropriation bills. They focused on ministerial and departmental accountability for proposed expenditure and forward estimates based on public hearings the Committee held with Ministers and departmental responses to questionnaires.

The Committee is also committed to fostering better communication with the Victorian Auditor-General and his Office in order to discharge effectively the Committee’s vital auditing statutory responsibilities. The Committee is undertaking an annual financial and triennial performance audit of the Victorian Auditor-General’s Office under the provisions of section 17 and section 19 of the Audit Act 1994. The outcomes will be reported to Parliament by the appointed financial and performance auditors by the end of 2007 and detailed in the Committee’s next annual report.

The Committee looks forward to realising its vision for promoting enhanced transparency in government reporting and accountability for government outcomes against planned priorities.

Bob Stensholt MP
Chair
The Public Accounts and Estimates Committee

Background

The Public Accounts and Estimates Committee is a joint house investigatory committee of the Victorian Parliament constituted under the Parliamentary Committees Act 2003. The Committee is unique in Australia because it has the dual responsibility of scrutinising both the public accounts and the budget estimates.

The functions of the Public Accounts and Estimates Committee are to inquire into, consider, and report to Parliament on:

- any proposal, matter or thing concerned with public administration or public sector finances;
- the annual estimates or receipts and payments and other budget papers and any supplementary estimates of receipts or payments presented to the Assembly and the Council;
- any proposal, matter or thing that is relevant to its function and has been referred to the Committee by resolution of the Legislative Council or the Legislative Assembly or by order of the Governor in Council published in the Government Gazette; and
- various statutory responsibilities in relation to the activities, performance and statutory functions of the Office of the Auditor-General under the Audit Act 1994.

A new Committee of the 56th Parliament was established as a ten-member Committee by the Parliamentary Legislation Amendment Act 2007. The Committee has members from the ALP, the Liberal Party, the National Party and the Greens and from both houses of the Parliament. It held its first meeting on 5 March and elected Bob Stensholt MP as Chair and Kim Wells MP as Deputy Chair.

The Committee’s responsibilities

The responsibilities of the Committee comprise:

- public accounts;
- estimates; and
- auditing.

Public accounts function

Reviewing financial and performance documents:

The Committee undertakes a review process in October/November with the Committee seeking information from departments on the outcomes of the previous financial year. This process involves a review of the government’s annual and quarterly financial reports, the annual reports of departments and agencies, the Auditor-General’s report on the annual finances of the state of Victoria, and a review of corporate and business plans. Questionnaires are forwarded to all departments seeking information on financial and performance outcomes for departments and related agencies. After responses are received, the Committee prepares a report on financial and performance outcomes which is usually tabled in March.

Members of the PAEC
This review process focuses on the operation and performance of departments and agencies over the previous financial year and complements the estimates process. This process enhances the accountability of departments/agencies and gives the Parliament more meaningful information about results achieved compared with the results expected by agencies.

**Reviewing reports of the Auditor-General:**

The Committee can follow up the reports of the Auditor-General. The Committee for the 56th Parliament has decided to review all reports on a six-monthly rolling basis.

**Undertaking general inquiries relating to some aspect of financial administration or public sector management:**

The Committee can initiate its own inquiries on financial administration or public sector management. Inquiries have arisen from the government’s reform program such as the inquiry into the options for strengthening government and parliamentary accountability in Victoria; or from emerging public policy issues such as the inquiry into private investment in public infrastructure. The Committee also has inquiries referred to it by Parliament or the Governor in Council such as the inquiry into trustee arrangements for governing the Parliamentary Contributory Superannuation Fund.

**Estimates function**

**Reviewing the budget documents:**

This is one of the Committee's most important functions. Effectively the Committee, on behalf of the Parliament, undertakes a public and detailed review of the government's budget. The Committee seeks information from departments about proposed government expenditure and departmental performance.

After the budget is brought down, public hearings are held in May and June with the Premier, the Presiding Officers and all Ministers and senior departmental officers.

Before the budget is released by the Treasurer, the Committee forwards a questionnaire to all departments seeking information to supplement the details that will be contained in the budget papers.

The Committee's objective in its scrutiny of the budget estimates is to:

- constructively contribute to improving the presentation of budget information to the Parliament and the community of Victoria;
- facilitate a greater understanding and transparency of the budget estimates;
- encourage clear, full and precise statements of the government's objectives and planned budget outcomes; and
- encourage economical, efficient and effective administration.

The aim of the Committee is to table a full report of the hearings during debate on the appropriation bills in the Parliament, and then follow this up with a more detailed analytical report.

**Auditing function**

The Committee is involved in:

(a) recommending the appointment of the Auditor-General and the independent auditors of the Auditor-General’s Office (both financial and performance); and

(b) considering and reporting to Parliament on the budget estimates and the annual plan of the Auditor-General’s Office.

The Committee:

- also has a consultative role in determining the objectives and terms of reference of performance audits and identifying any particular issues that need to be addressed as part of the audits and in advising the Auditor-General on the audit priorities for the year; and
• can also exempt, if necessary, the Auditor-General from any legislative requirements applicable to government agencies on staff employment conditions and financial reporting practices.

How the Committee operates

What is unique about the workload of this Committee is that nearly all its work is determined either by statute or by external factors such as reports of the Auditor-General, annual reports and other reports to Parliament.

Since the Committee has a heavy programme of work and, in the case of the performance audits, a tight deadline, it has been the practice for the Committee to appoint Sub-Committees. At present an Audit Sub-Committee considers the terms of reference of performance audits and other matters relating to the Victorian Auditor-General's Office (VAGO).

The Committee conducts public hearings for its inquiries into budget estimates and for its other specialised inquiries.

All reports and discussion papers are considered and finalised by the full Committee before being be tabled in Parliament or released for public distribution.

In the carriage of its far-ranging functions and inquiries, the Committee is assisted by a secretariat, led by an Executive Officer. The secretariat staff includes research officers, specialist advisers, a Business Support Officer and an Office Manager.

The Committee’s website provides background information on its roles and functions, members, details of current inquiries, hearing dates, electronic versions of the latest reports, and the government’s responses to any recommendations contained in those reports.

The Committee’s web address is: www.parliament.vic.gov.au/paec

The email address is: paec@parliament.vic.gov.au

The cost of producing this report was approximately $4,402.

Minister Allan and members of the PAEC at the budget estimates hearings on 7 May 2007
Accountability for performance

The Public Accounts and Estimates Committee has developed a corporate plan to guide its work and provide a framework for the selection of inquiry topics. The corporate plan includes the Committee's vision and mission.

Vision and mission statement

The Committee’s vision is:

*Making a difference for the people of Victoria by contributing to accountable and well performing government.*

The Committee’s mission is:

*On behalf of the Parliament and the people of Victoria, to scrutinise and assess government accountability and performance, and promote improvements where necessary.*

Working to improve government accountability and performance

The Committee’s primary purpose is to contribute to improved accountability and performance throughout the Victorian public service. The Committee achieves this by providing independent assessments to Parliament and the public. The Committee’s reports provide assurance to Parliament on matters relating to past events or practices within the public sector, and offer recommendations for improving future performance.

Performance measures

Events impacting on the Committee’s performance in 2006-07 relate to:

- the state government election in November 2006;
- the backlog of secretariat resourcing issues coupled with the resignation of the Executive Officer and a research officer;
- some delay in the appointment of the new Committee resulting in a short timeframe to:
  - institute a changed reporting focus for the inquiry into the 2007-08 Budget Estimates; and
  - call for tenders for appropriate financial and performance auditors for the Victorian Auditor-General’s Office; and
- initial budgetary constraints.

*Members of the PAEC*
### Table 1: Public Accounts and Estimates Committee – Work plan and performance targets for 2006-07 and 2007-08

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Output</th>
<th>Target 2006-07</th>
<th>Actual 2006-07</th>
<th>Target 2007-08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Examine significant public sector financial and management issues by: (i) maintaining Committee awareness of key government policies and public sector financial management activities, practices and views reviewing: – the implementation of government policy – public sector internal control and risk management systems monitoring the impact of and government responses to reports and activities of the Auditor-General, and take further action if required</td>
<td>Inquiries conducted and reports tabled in Parliament</td>
<td>Table by 14 September 2006  - Report on the 2006-07 Budget Estimates</td>
<td>Report tabled 14 September 2006</td>
<td>Report on the 2007-08 Budget Estimates – Part Three to be tabled by 20 September 2007</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Table by 4 October 2006:  - Report on private investment in public infrastructure</td>
<td>Report tabled 4 October 2006</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td></td>
<td>n/a</td>
<td>n/a</td>
<td>Report on 2006-07 Budget Outcomes to be tabled by April 2008.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Table by mid June  - Report on the appointment of the financial auditor of the Victorian Auditor-General’s Office</td>
<td>Report tabled 7 June 2007</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Table by mid June  - Report on the appointment of the performance auditor of the Victorian Auditor-General’s Office</td>
<td>Report tabled 21 June 2007</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Initiate two new references for inquiries by the Committee to be conducted during 2008.</td>
</tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>Follow-up reviews for at least 50 per cent of Auditor-General Reports tabled over 2006-07</td>
</tr>
</tbody>
</table>
### Table 1: Public Accounts and Estimates Committee – Work plan and performance targets for 2006-07 and 2007-08 (continued)

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Output</th>
<th>Target 2006-07</th>
<th>Actual 2006-07</th>
<th>Target 2007-08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promote any reforms necessary to improve accountability and performance of the financial management of the state</td>
<td>Recommendations relating to financial management issues and accountability</td>
<td>80 per cent or better acceptance rate of recommendations was achieved in the majority of reports</td>
<td>80 per cent or better acceptance rate of recommendations achieved in the majority of reports</td>
<td>80 per cent or better acceptance rate of recommendations achieved in the majority of reports</td>
</tr>
<tr>
<td>Strengthening constructive professional relationships with the Auditor-General and his Office for managing statutory functions</td>
<td>Establishment of PAEC Audit Sub-Committee in May 2007 to consider audit priorities, Auditor-General’s annual budget, proposed audit specifications, Auditor-General’s annual and strategic plans and other related matters and reports Regular communication between the Chair, Deputy Chair and PAEC members with the Auditor-General for consideration and approval of the Auditor-General’s annual budget</td>
<td>n/a</td>
<td>New protocol statement for enhancing relationships by mid December 2007 Improved process, including adapting federal initiatives, for consideration of the annual budget and work program of the Auditor-General’s Office Regular three-weekly briefings established between the secretariat and the Auditor-General’s Office Consideration of 90 per cent of audit specifications identified within the Auditor-General’s Annual Plan Consideration of the performance auditor’s audit of the Auditor-General’s Office by end of November 2007</td>
<td></td>
</tr>
<tr>
<td>Strategy</td>
<td>Output</td>
<td>Target 2006-07</td>
<td>Actual 2006-07</td>
<td>Target 2007-08</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------</td>
<td>----------------</td>
<td>----------------</td>
<td>-------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Investigate the implementation of changed legislative arrangements for the funding and accountability for other independent officers of Parliament</td>
<td>n/a</td>
<td>n/a</td>
<td>Follow-up on the review of the legislative framework for enhanced reporting and appropriation funding arrangements for independent officers of Parliament to be considered by the Committee</td>
<td></td>
</tr>
<tr>
<td>Increase awareness of, involvement in, and support for the Committee’s activities by citizens, members of Parliament and the private sector</td>
<td>Timely and relevant communications with citizens, members of Parliament and the private sector</td>
<td>Two new inquiries established: – Inquiry into strengthening government and parliamentary accountability in Victoria; and – Inquiry into trustee arrangements for governing the Parliamentary Contributory Superannuation Fund</td>
<td>Reports to be tabled by first sitting day in December 2007 At least two new inquiries to be established for 2007-08 Terms of reference to be determined.</td>
<td></td>
</tr>
<tr>
<td>Re-design the Committee’s website for improved accessibility</td>
<td>Committee website in process of being redesigned in accordance with Parliament’s corporate image</td>
<td>New Committee website to be published by end of February 2008.</td>
<td>Briefing for members and their staff on the 2007-08 budget to be arranged</td>
<td>Budget briefing held on 3 May 2007 Budget briefing to be held by 9 May 2008</td>
</tr>
<tr>
<td>Increase awareness of, involvement in, and support for the Committee’s activities by citizens, members of Parliament and the public sector</td>
<td>Implementation of initiatives to enhance confidence in the activities of the Committee</td>
<td>Attend 2007 ACPAC conference and continue to attend meetings with other parliamentary committees and accounting/public sector bodies</td>
<td>Five members and the acting EO attended the ACPAC biennial conference in Canberra</td>
<td>Attendance at 2008 ACPAC conference</td>
</tr>
<tr>
<td>Ensure adequate and qualified secretariat staffing is available to service the Committee</td>
<td>Increased funding for secretariat</td>
<td>Seek increased funding for enhanced secretariat including higher qualified staff and additional staff</td>
<td>Allocation by government of an additional $240,000 in 2006-07 and $360,000 per year ongoing</td>
<td>Revised secretariat establishment and additional staff recruited by end 2007</td>
</tr>
</tbody>
</table>
Figure 2: Public Accounts and Estimates Committee
Number of visitor sessions to the website by quarter
for 2004-05; 2005-06 and 2006-07

Source: Data supplied by S Rosman, Victorian Parliament, September 2007

Figure 2 shows an overall steady increase over the past three years in the number of visitor sessions to the Committee’s website. All the Committee’s reports are now published and available through the website on the day they are tabled in the Parliament. Increased use of the internet to communicate with stakeholders enhances accessibility of information and supports the conservation policies of the Parliament.

Outcomes and impacts of the Committee’s activities

The results of the Committee’s inquiries, as reflected in its analysis of issues and formulation of recommendations, are reported to Parliament.

One output measure of the Committee is the timeliness of its reports. The standard and depth of the analysis and content of its reports is also expected to be of a high quality and to be a benchmark for similar committees.

Another measure of the success of the Committee’s outputs is the extent to which government accepts the recommendations of the Committee aimed at enhancing transparency and efficiency of public administration.

With more complex inquiry recommendations, the impact of the Committee’s work is implemented over a period of time where change management and entrenched practices are involved. Some examples are discussed in the following section.
Action Plan

In 2007-08, as well as its annual core statutory responsibilities on the estimates and outcomes reviews, and those in relation to the Auditor-General’s office, and other special inquiries, the Committee plans to:

- undertake two inquiries in 2008 on financial management and performance;
- follow up on the legislative framework for the office of the ombudsman arising from its report of February 2006;¹
- consider aligning the review of the budget estimates of the Auditor-General’s Office with processes used at the federal level by the Joint Committee of Public Accounts and Audit; and
- follow-up as required various reports and recommendations of the Committee.


The Report on the 2004-05 Budget Outcomes was tabled in the Legislative Assembly and the Legislative Council on 27 April 2006 (out of session). The Committee made 92 recommendations.²

The report highlighted the need to improve transparency for the very significant $5.43 billion of supplementary funding provided in 2004-05 to departments and agencies which Parliament had limited opportunity to scrutinise.

Background to the report

The report examined $27.76 billion in general government sector expenditure and commented on some aspects of what departments and agencies were funded to achieve in 2004-05 and what they actually achieved.

This was the final report on budget outcomes of the Committee of the 55th Parliament and it focused on the need for continuous improvement in transparency and accountability.

The Committee has an ongoing interest in improving the quality of annual reporting. As part of that process, the Committee reviewed the 2004-05 annual reports for departments and some key agencies.

The Committee of the 56th Parliament has continued the work of focusing on improving financial reporting with its innovative approach to the inquiry into the 2006-07 Financial and Performance Outcomes as well as its revised approach to the budget estimates inquiry culminating in its three-part Report on the 2007-08 Budget Estimates.

Government response to the report

The government response to the Committee’s recommendations was tabled in the Legislative Assembly on 3 October 2006.3

Table 3 provides a summary of the government’s response.

Of the Committee’s ninety-two recommendations, seventy-four (80 per cent) were accepted, accepted in part or accepted in principle, nine are under review and nine were rejected.

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Accept</th>
<th>Accept in part</th>
<th>Accept in principle</th>
<th>Under review</th>
<th>Reject</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction and responses to previous outcomes report</td>
<td>–</td>
<td>–</td>
<td>5</td>
<td>1</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>New VPS staffing structure; stress claims; and performance bonuses</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>Environmental reporting; Project Rosetta; advertising and promotional expenditure</td>
<td>2</td>
<td>–</td>
<td>6</td>
<td>1</td>
<td>–</td>
<td>9</td>
</tr>
<tr>
<td>Parliamentary departments</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Victorian Auditor-General’s Office</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Education and Training</td>
<td>–</td>
<td>–</td>
<td>6</td>
<td>–</td>
<td>–</td>
<td>6</td>
</tr>
<tr>
<td>Human Services</td>
<td>5</td>
<td>2</td>
<td>5</td>
<td>1</td>
<td>1</td>
<td>14</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>–</td>
<td>2</td>
<td>1</td>
<td>–</td>
<td>–</td>
<td>3</td>
</tr>
<tr>
<td>Innovation, Industry and Regional Development</td>
<td>2</td>
<td>–</td>
<td>3</td>
<td>–</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Justice</td>
<td>1</td>
<td>–</td>
<td>–</td>
<td>2</td>
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<tr>
<td>Premier and Cabinet</td>
<td>2</td>
<td>2</td>
<td>–</td>
<td>–</td>
<td>–</td>
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<tr>
<td>Primary Industries</td>
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<tr>
<td>Sustainability and Environment</td>
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<td>–</td>
<td>–</td>
<td>8</td>
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<td>Treasury and Finance</td>
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<td>–</td>
<td>–</td>
<td>1</td>
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<td>3</td>
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<tr>
<td>Victorian Communities</td>
<td>–</td>
<td>–</td>
<td>1</td>
<td>–</td>
<td>–</td>
<td>1</td>
</tr>
<tr>
<td>Review of annual reports of departments and agencies</td>
<td>–</td>
<td>1</td>
<td>3</td>
<td>–</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total number of recommendations</strong></td>
<td>23</td>
<td>13</td>
<td>38</td>
<td>9</td>
<td>9</td>
<td>92</td>
</tr>
<tr>
<td><strong>Percentage of total recommendations (%)</strong></td>
<td>25</td>
<td>14</td>
<td>41</td>
<td>10</td>
<td>10</td>
<td>100</td>
</tr>
</tbody>
</table>


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3 The Victorian Government response to the Committee’s recommendations is available at the Public Accounts and Estimates Committee’s website at www.parliament.vic.gov.au/paec
The year in review


The Report on the 2006-07 Budget Estimates was tabled in the Legislative Assembly and the Legislative Council on 14 September 2006. The Committee made 98 recommendations.⁴

Background to the report

Scrutiny of the budget estimates is a key element of Parliament’s role in strengthening political and administrative accountability.

Ministers are responsible for the outputs and outcomes of their portfolios in the budget papers. A great deal of information is placed on the public record through their attendance at budget estimates hearings where they answer questions on a wide range of financial and performance issues relating to government services and programs.

The Committee’s review of the budget estimates is a significant and challenging activity. In 2006, several hearings were held while the Parliament was meeting. Further, there was a need to finalise the report before the Parliament was prorogued for the November election. Only three months passed from the first estimates hearing with the Premier to the presentation of the report in the Parliament. During this time the Committee took evidence from 177 witnesses and reviewed thousands of pages of transcripts and supplementary evidence from Ministers and departments.

The review highlighted the changing nature of Victoria’s public service as it evolves with more innovative ways to deliver government programs, whole of government approaches, the growing convergence of the public and private sectors, and the adoption of new technologies. This increasingly complex and demanding environment poses many challenges for departments and agencies.

It is also challenging for the Committee to be able to scrutinise and report on the billions of dollars that the government is spending on providing services to the Victorian community.

Committee’s findings

The 98 recommendations, or 106 including parts of recommendations, contained in the report were primarily concerned with improving transparency in relation to financial and performance information which are one of the fundamental building blocks of good governance.


Members of the PAEC at the budget estimates hearings
Government response to the report

The Committee report made 98 recommendations – some had several parts. A total of 89 per cent of the recommendations or parts of recommendations were accepted, accepted in part, or accepted in principle; 1 per cent is under review; and 10 per cent were rejected. The government’s response to the Committee’s recommendations was tabled in Parliament on 14 March 2007. Table 4 provides a summary of the government’s response.

Table 4: Summary of government response to the PAEC’s Report on the 2006-07 Budget Estimates

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Accept</th>
<th>Accept in part</th>
<th>Accept in principle</th>
<th>Under review</th>
<th>Reject</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government response to report no. 66</td>
<td>1</td>
<td>–</td>
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<tr>
<td>National Reform Agenda</td>
<td>1</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>1</td>
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<td>Parliamentary departments</td>
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<td>–</td>
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<tr>
<td>Education and Training</td>
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<td>–</td>
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<td>1</td>
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<tr>
<td>Human Services</td>
<td>8</td>
<td>4</td>
<td>14</td>
<td>–</td>
<td>1</td>
<td>27</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>3</td>
<td>–</td>
<td>4</td>
<td>–</td>
<td>–</td>
<td>7</td>
</tr>
<tr>
<td>Innovation, Industry and Regional Development</td>
<td>5</td>
<td>–</td>
<td>4</td>
<td>–</td>
<td>–</td>
<td>9</td>
</tr>
<tr>
<td>Justice</td>
<td>9</td>
<td>4</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>13</td>
</tr>
<tr>
<td>Premier and Cabinet</td>
<td>1</td>
<td>–</td>
<td>1</td>
<td>–</td>
<td>1</td>
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<td>Primary Industries</td>
<td>3</td>
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<td>4</td>
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<td>1</td>
<td>9</td>
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<tr>
<td>Sustainability and Environment</td>
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<td>–</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td>Treasury and Finance</td>
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<td>1</td>
<td>–</td>
<td>–</td>
<td>1</td>
<td>4</td>
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<tr>
<td>Victorian Communities</td>
<td>5</td>
<td>–</td>
<td>9</td>
<td>–</td>
<td>–</td>
<td>14</td>
</tr>
<tr>
<td>Total number of recommendations</td>
<td>45</td>
<td>10</td>
<td>39</td>
<td>1</td>
<td>11</td>
<td>106</td>
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<tr>
<td>Percentage of total recommendations (%)</td>
<td>43</td>
<td>9</td>
<td>37</td>
<td>1</td>
<td>10</td>
<td>100</td>
</tr>
</tbody>
</table>

The Report on private investment in public infrastructure was tabled in the Legislative Assembly and the Legislative Council on 4 October 2006. The Committee made 20 recommendations.

**Background to the report**

The inquiry was initiated by the Public Accounts and Estimates Committee of the 54th Parliament and extended through the 55th Parliament reporting immediately before the proroguing of Parliament for the November 2006 election.

The inquiry dealt with many complex issues. The focus was on governance arrangements, risk, parliamentary accountability, the public interest, economic benefits and changes in international accounting standards relating to private investment in public infrastructure projects.

Public Private Partnerships (PPPs) are a relatively new form in the range of procurement options that are available for funding public infrastructure and their ongoing maintenance. The Victorian government has been an early adopter and relatively significant user of this form of financing.

The Committee considered that this report was an additional tool to assist in the analysis of the substantial investment by the Victorian Government in new infrastructure assets – an investment for which $3.66 billion was allocated in the 2005-06 budget.

Private investment in public infrastructure is not just a partnership between government and business. It is a partnership between government, business and the community. The Committee found that when all three are confident of the policy and delivery framework, private investment is a viable option for providing public infrastructure and/or public services.

The Committee noted the public perceptions surrounding PPPs and suggested that greater reporting, and in particular, a succinct project summary signed off by the Auditor-General would assist public understanding.

**Committee’s findings**

The Committee made 20 recommendations. The key recommendations are set out below:

- All major infrastructure projects including PPPs be subject to independent post project reviews at the completion of the construction phase and during the operational phase to measure the degree to which agreed outcomes are met. All results be periodically reported to Parliament.
- Long term peppercorn leases extending beyond the concession period should not be given to a private consortium, unless it can be clearly demonstrated that there is a public benefit.
- Public private partnership contracts should include the total amount of payments outlining the total government commitment and the impact on state debt. This information should be published on the Partnerships Victoria website, with summary information included in the state budget papers.
• Further guidance material be developed to cover the situation where, during the course of the public private partnership contract, transferred risk reverts to the Victorian Government.

• Timeframes should be reduced, where possible, for the period of concession agreements so as to limit the impact of debt repayments for future governments.

• The Partnerships Victoria policy and guidelines be updated to reflect recent experiences with public private partnership/private finance initiative projects in Australia, particularly in relation to the public sector comparator, valuing risk, and the discount rate.

• The Victorian Government:
  − improve opportunities for parliamentary oversight of public private partnership financial arrangements and commitments;
  − after the contractual arrangements relating to a public private partnership project have been finalised, the responsible Minister and the Department of Treasury and Finance brief the Public Accounts and Estimates Committee on the details; and
  − advise Parliament when significant variations are made to a PPP contract, beyond the initial contractual arrangements;

• The Victorian Auditor-General periodically undertake performance audits of all major public private partnership projects to determine whether value for money is being maintained over the life of a project.

• The Victorian Government make representations to the National PPP Council to arrange for an independent study into the size, structure and competitiveness of the Australian public private partnership market to determine the degree to which its diversity is sufficient to be fully competitive.

Government response to the report

The government response to the recommendations stated that many of the issues identified in the report pre-dated Partnerships Victoria policy, and had been addressed or were currently under consideration. In its response the government acknowledged that:

It is pivotal that the model continue to evolve in a complex environment. Victoria will continue to address lessons from projects here, elsewhere in Australia and overseas to ensure that it drives innovation and value for money outcomes in PPP infrastructure delivery.

The government’s response to the Committee’s recommendations was tabled in Parliament on 4 April 2007. A summary of the response is shown in table 5:

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The year in review

Table 5: Summary of government response to the PAEC's Report on private investment in public infrastructure

<table>
<thead>
<tr>
<th></th>
<th>Agreed and in place</th>
<th>Agreed partly in place</th>
<th>Agreed and under consideration</th>
<th>Agreed in part and in place</th>
<th>Agreed in part</th>
<th>Not agreed</th>
<th>Total</th>
</tr>
</thead>
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<tr>
<td>Number</td>
<td>8</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>4</td>
<td>4</td>
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<tr>
<td>Percentage</td>
<td>40</td>
<td>5</td>
<td>5</td>
<td>10</td>
<td>20</td>
<td>20</td>
<td>100</td>
</tr>
</tbody>
</table>

Report no. 72 – PAEC annual report for 2005-06

The report was tabled in the Legislative Assembly and the Legislative Council on 17 October 2006 and contained no recommendations.

Report no. 73 – Report on the 2007-08 Budget Estimates


Background to the report

The series of three reports on the 2007-08 Budget Estimates was the first report of the Committee for the 56th Parliament of Victoria.

The Committee, in a break with tradition, tabled its first report on the budget estimates while hearings were still being conducted. The main purpose of the Committee providing early reports to Parliament is to assist in the consideration of the appropriation bills before Parliament. These bills, when passed, provide authority for the government to deliver planned services and commence new asset investment programs.

The aim of the Committee is to enhance the information available to members on the budget and, in turn, to enrich the Parliament’s debate on the bills.

Early presentation to Parliament of the results of the estimates hearings is also consistent with a recommendation of the Auditor-General in the April 2003 report Parliamentary control and management of appropriations. In addition, this report provides the Victorian public with access through Parliament to the range of issues raised by the Committee in hearings with the Ministers.

Some sense of the importance of the Committee’s annual budget estimates hearings can be gleaned from the fact that the government’s 2007-08 budget envisages operating revenue of around $34.3 billion and operating expenditure of $33.9 billion. On the capital side, new net annual infrastructure investments are expected to average $3.3 billion over each of the four years to 2010-11.

The Committee was heartened by comments of the Hon. S Bracks, Premier of Victoria, at a budget estimates hearing on 3 May 2007. Referring to the government’s respect for the work of the Committee, the Premier stated that:

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...PAEC has a different role and function to other joint parliamentary committees. It is a different function. It ranges over the whole of government. It has an estimates hearing in which Ministers make submissions, and it can call in government departments for those submissions as well. It reports to Parliament on the overall estimates, and those recommendations are very important for government activity.

The Premier also announced additional annual funding of $360,000 to augment the Committee’s activities.

Part One of the report was tabled in the Legislative Council and Legislative Assembly on 24 May 2007. It consisted of:

- a summary of key matters raised at the first 23 budget estimates hearings to 11 May 2007;
- transcripts of proceedings of the budget estimates hearings to 11 May 2007;
- departmental reviews based on responses provided by departments and the parliamentary departments to the Committee's budget estimates questionnaire; and
- associated questions taken on notice, unasked questions and a list of documents presented by Ministers.

Part Two of the report was tabled in the Legislative Council and Legislative Assembly on 7 June 2007. It consisted of:

- a summary of key matters raised at the remaining 20 budget estimates hearings to 31 May 2007;
- transcripts of proceedings for the remaining 20 budget estimates hearings to 31 May 2007;
- departmental reviews incorporating additional information sought by the Committee; and
- associated questions taken on notice, unasked questions and a list of documents presented by Ministers.

Part Three of the report was tabled in the Legislative Council and Legislative Assembly on 20 September 2007 and contained 52 recommendations.

The government’s response to the Committee’s recommendations is due on 20 March 2008.

Report no. 74 – Report on the appointment of a person to conduct the financial audit of the Victorian Auditor-General’s Office

The report was tabled in the Legislative Assembly and the Legislative Council on 7 June 2007 and contained one recommendation.

Background to the report

The Committee undertakes to recommend an appointment as part of its statutory responsibility under Section 17 of the Audit Act 1994 which provides in part that:

(1) A person may be appointed by resolution of the Legislative Council and the Legislative Assembly, on the recommendation of the Public Accounts and Estimates Committee of the Parliament, as an independent auditor of the Victorian Auditor-General’s Office.

(2) An appointment –

(a) must not be made for a period exceeding 3 years, but may be renewed; and
(b) may provide for the payment of remuneration.

(3) Remuneration payable under the appointment shall be paid out of the Consolidated Fund which is to the necessary extent appropriated accordingly.

(4) The function of the independent auditor is to carry out audits of the Victorian Auditor-General’s Office in accordance with this Part.
In April 2007 the call for tenders was advertised in the major metropolitan newspapers for the annual financial audit of the Victorian Auditor-General's Office.

**Committee’s findings**

The Committee’s report contained a recommendation that:

**Recommendation 1:**

In accordance with Section 17 of the Audit Act 1994, as amended:

(a) the Legislative Council and the Legislative Assembly appoint Mr Terry Benfold of Pitcher Partners, in accordance with Appendix 2, to conduct the financial audit of the Victorian Auditor-General's Office for the 2006-07 financial year;

(b) the level of remuneration for the financial audit be $27,500 exclusive of GST and disbursements; and

(c) Mr Benfold be appointed for three years, subject to negotiation with the Public Accounts and Estimates Committee, of a suitable level of remuneration for future financial audits.

**Parliament’s response to the report**

The Parliament considered and accepted the Committee’s recommendations.

**Report no. 75 – Report on the appointment of a person to conduct the performance audit of the Victorian Auditor-General’s Office**

The report was tabled in the Legislative Assembly and the Legislative Council on 21 June 2007 and contained one recommendation.

**Background to the report**

The Audit Act 1994, as amended, requires that a performance audit of the Auditor-General be conducted at least once every three years. Under the Act, the Public Accounts and Estimates Committee is responsible for recommending the appointment of a suitably qualified person to undertake the performance audit.

Section 19 of the Audit Act 1994 as amended, states in part that:

An audit shall be conducted under this section at least once every 3 years to determine whether the Auditor-General and the Victorian Auditor-General’s Office are achieving their objectives effectively and doing so economically and efficiently and in compliance with this Act.

An audit under this section shall be conducted by a suitably qualified person appointed by resolution of the Legislative Council and the Legislative Assembly, on the recommendation of the Parliamentary Committee. …

… A person appointed under this section –

(a) shall be appointed on such terms and conditions and is entitled to such remuneration as are determined by the Parliamentary Committee; and

(b) in conducting the audit, must comply with directions as to the audit given by that Committee.
In April 2007 the call for tenders was advertised in the major metropolitan newspapers for the triennial performance audit of the Victorian Auditor-General’s Office.

**Committee’s findings**

The Committee’s report contained two recommendations:

**Recommendation 1:**
In accordance with section 19 of the Audit Act 1994, as amended, the Legislative Council and the Legislative Assembly appoint Mr John Phillips of Acumen Alliance, in accordance with Appendix 2, to conduct the performance audit of the Victorian Auditor General’s Office.

**Recommendation 2:**
The level of remuneration for the performance audit be $199,500, exclusive of GST, plus a 2 per cent administration levy.

**Parliament’s response to the report**

The Parliament considered and accepted the Committee’s recommendations.

**ACPAC conference**

This year’s conference of the Australasian Council of Public Accounts Committees (ACPAC) was attended by representatives of public accounts committees from all Australian jurisdictions including the Commonwealth, and New Zealand.

Members of the Victorian Public Accounts and Estimates Committee in attendance were Bob Stensholt MP (Chair), Judith Graley MP, Janice Munt MP, Martin Pakula MLC, Robin Scott MP and Dr Bill Sykes MP. Jennifer Nathan, assistant executive officer also attended.

The theme of the conference was *Challenges Facing Contemporary Public Accounts Committees*. Program sessions included:

- the relationships between committees and auditors-general;
- reporting standards and methodologies;
- a presentation from the chairs of each jurisdiction on the activities of their respective committees over the previous two years.

The Committee was alerted to the need to follow up the impact of proposed reporting changes to budget and financial reporting documents as a result of the introduction of IFRS and the proposed standardisation of public sector reporting in Australia.

Highlights of the conference included:

- opportunity to discuss issues of concern and hear a range of views and opinions;
- opportunity to meet others doing similar work and share and compare experiences;
- gathering of ideas to improve the Committee’s operations;
- opportunity to network.

**2007-08 Budget briefing**

On 3 May 2007, in conjunction with Department of Treasury and Finance the Committee hosted a briefing at The Hotel Windsor on the 2007-08 State Budget. All members of Parliament and their electorate staff were invited to attend an overview by Grant Hehir, Secretary of Department of Treasury and Finance and a presentation on 2007-08 state budget developments by Stein Helgeby, Deputy Secretary, Department of Treasury and Finance. The event is traditionally held in the week that the appropriation bills are introduced into Parliament and present one of the earliest opportunities for a briefing on the budget as well as the chance for members and their staff to ask questions.
At the date of printing of this 2006-07 annual report, the following information is provided in advance.

**Inquiry into 2007-08 Budget Estimates**

Part Three of the report was tabled in the Legislative Council and Legislative Assembly on 20 September 2007 and contained 52 recommendations. It consisted of:

- information relating to responses received to questions taken on notice;
- unasked questions emanating from the first and second rounds of hearings; and
- analysis, key findings and recommendations relating to the budget estimates for 2007-08

**Committee’s findings**

The Committee’s major recommendations will be reported in the *2007-08 Annual Report* and are available through the Committee’s website at:


The government is due to respond to the recommendations in the report by 20 March 2008.
Inquiry into trustee arrangements for governing the Parliamentary Contributory Superannuation Fund

Background to the inquiry

This inquiry was referred by Parliament to the Committee in March 2007. Submissions were called for and public hearings and private briefings are scheduled for early August.

Terms of reference

The Public Accounts and Estimates Committee is requested to inquire into and report to Parliament on the most appropriate trustee arrangements for governing the Parliamentary Contributory Superannuation Fund, having regard to the governance structures of comparable Commonwealth and interstate schemes, other public and private sector schemes and industry funds.

The Committee tabled its final report to Parliament on 11 October 2007.

The government is due to respond by 11 April 2008.

Inquiry into strengthening government and parliamentary accountability in Victoria

Background to the inquiry

This inquiry was referred by Parliament to the Committee in March 2007. Submissions were called for and up to 30 June 2007, 27 submissions were received from a range of interested groups and private citizens. These submissions can be accessed through the Committee’s website.

Public hearings and private briefings with interested parties are scheduled for early August and the Committee is considering taking evidence from interstate witnesses.

The Committee aims to table the report before the end of the 2007 parliamentary year.

Terms of reference

To the Public Accounts and Estimates Committee – for inquiry, consideration and report no later than the last sitting day in 2007 on the options for the next phase of strengthening government and parliamentary accountability in Victoria – and in particular the Committee is required to consider:

- Parliamentary Committees;
- question time procedure;
- standards of parliamentary behaviour;
- overseas travel by members of Parliament;
- modernisation of Parliament including the permanent abolition of wigs and other archaic practices; and
- reform of the process of dealing with petitions.
Victorian Auditor-General's Office

Recommendation on the appointment of the Auditor-General

On 1 October 2006, following a recommendation by the Public Accounts and Estimates Committee, Des Pearson took up his position as Victoria’s Auditor-General. Mr Pearson, who was previously the Auditor-General of Western Australia, had a long and distinguished public sector career having worked in a range of leadership roles at both Commonwealth and state government levels in four jurisdictions, and as national president of CPA Australia. He has also been an active member of several high-level national standard setting and regulation committees, and is a member of the Australian Accounting Standards Board.

This was the first occasion that the Public Accounts and Estimates Committee had a formal role in the appointment process for the Auditor-General. Mr Pearson was unanimously endorsed by the interview panel and the Public Accounts and Estimates Committee as the best candidate for this important position.

A priority for members of the new Committee was to immediately forge strong communications with the Victorian Auditor-General’s Office and the recently appointed Auditor-General with the establishment of an Audit Sub-Committee to consider audit specifications and other matters relating to the Office.

It is the intention of the Committee of the 56th Parliament to review the protocols between the Public Accounts and Estimates Committee and the Victorian Auditor-General's Office set up by the previous Committee; and to review the approach to all aspects of work with the office of the Auditor-General.

Audits of the Victorian Auditor-General’s Office

Terry Benfold of Pitcher Partners and John Phillips of Acumen Alliance were appointed by Parliament respectively to undertake financial and performance audits. See page 28.

Other statutory functions in relation to the Auditor-General

An important function of the Committee is to act on behalf of Parliament in relation to the Auditor-General and report to Parliament on the activities of the Victorian Auditor-General’s Office. Under the Audit Act 1994 and the Constitution Act 1975, the Committee’s statutory responsibilities include:

- consideration of the Auditor-General’s annual budgetary needs;
- review of the Auditor-General’s annual plan;
- review of audit priorities; and
- objectives and scope for all performance audits.

The Auditor-General and other senior members of VAGO met with the Committee and its Audit Sub-Committee on several occasions during 2006–07 to discuss:

- the budget estimates for the Victorian Auditor-General’s Office for 2007–08;
- the Auditor-General’s draft annual plan for 2007–08; and
- the Auditor-General’s work plan for 2007-10.

The Committee of the 56th Parliament and its Audit Sub-Committee has also met with the Auditor-General to discuss the specifications, including planned objectives and scope, for the following performance audits:
- Program for Students with Disabilities: program accountability
- Administration of Non-Judicial functions in the Magistrates’ Court of Victoria
- Improving our schools: monitoring and support
- Primary industry research (agricultural research investment, monitoring and review)
- Raising and collection of fees and charges by departments
- Purchase of contaminated land by the Melbourne Port Corporation
- Public hospital financial performance and sustainability
- Implementation of the Criminal Justice Enhancement Program
- Management of specific purpose funds by public health services
- Parliamentary appropriations: output specifications

**Follow-up of Auditor-General’s reports**

The Committee has decided to conduct rolling six-monthly reviews of Auditor-General’s reports – an approach modelled on that used by the Joint Committee of Public Accounts and Audit (JCPAA) when undertaking follow-up reviews of reports issued by the Australian National Audit Office (ANAO). JCPAA conduct follow-up inquiries for one in every three ANAO reports.

Reports will be followed up at six-monthly intervals in batches approximating half the reports tabled by the Auditor-General in a full financial year.

This will mean following up the reports about six to twelve months after they are tabled.

**International delegations**

International delegations continued to visit and consult with the Public Accounts and Estimates Committee reinforcing its reputation as a world leader in the scrutiny of fiscal accountability.

Over the 2006-07 period the Committee has met with representatives from:

- Chinese Ministry of Finance;
- Sri Lankan government; and
- Selangor State Legislative Assembly, Malaysia.
Committee performance at a glance – 2006-07

Committee of the 56th Parliament:

<table>
<thead>
<tr>
<th>Sub-Committees active</th>
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<tbody>
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<td>Witnesses who appeared before the Committee</td>
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<tr>
<td>Reports tabled</td>
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</tr>
<tr>
<td>Recommendations made</td>
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</tr>
<tr>
<td>Submissions received*</td>
<td>28</td>
</tr>
<tr>
<td>Public Hearings held</td>
<td>40</td>
</tr>
</tbody>
</table>

* Includes submissions received up to 30 June 2007 for the inquiry into trustee arrangements for governing the parliamentary contributory superannuation fund

Committee of the 55th Parliament:

<table>
<thead>
<tr>
<th>Sub-Committees active</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Witnesses who appeared before the Committee*</td>
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<tr>
<td>Reports tabled</td>
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<tr>
<td>Recommendations made</td>
<td>118</td>
</tr>
<tr>
<td>Submissions received*</td>
<td>36</td>
</tr>
<tr>
<td>Public hearings held</td>
<td>48</td>
</tr>
<tr>
<td>Meetings held with visiting international and interstate delegations</td>
<td>3</td>
</tr>
<tr>
<td>Private hearings held overseas*</td>
<td>10</td>
</tr>
<tr>
<td>Private briefings held*</td>
<td>9</td>
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</tbody>
</table>

* Includes inquiry into private investment in public infrastructure
## Sub-Committees – membership

### Committee of the 56th Parliament

<table>
<thead>
<tr>
<th>Name</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bob Stensholt MP</td>
<td>Chair, Audit (Chair)</td>
</tr>
<tr>
<td>Kim Wells MP</td>
<td>Deputy Chair, Audit (Deputy Chair)</td>
</tr>
<tr>
<td>Richard Dalla-Riva MLC</td>
<td>Audit</td>
</tr>
<tr>
<td>Janice Munt MP</td>
<td>Audit</td>
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</table>

### Committee of the 55th Parliament

<table>
<thead>
<tr>
<th>Name</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Christine Campbell MP</td>
<td>Chair, Scoping of performance audits (Chair)</td>
</tr>
<tr>
<td>Bill Forwood MLC</td>
<td>Deputy Chair, Scoping of performance audits</td>
</tr>
<tr>
<td>Bill Baxter MLC</td>
<td>Scoping of performance audits</td>
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<tr>
<td>James Merlino MP</td>
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</table>
Members attendance at meetings and hearings

56th Parliament – 2006-07

Number of meetings and hearings held

<table>
<thead>
<tr>
<th>Committee</th>
<th>Number of private meetings</th>
<th>Number of public hearings</th>
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<tbody>
<tr>
<td></td>
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Number of meetings and hearings attended

<table>
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<tr>
<th>Member’s name</th>
<th>Full Committee</th>
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<tbody>
<tr>
<td></td>
<td>No. of private meetings eligible to attend</td>
<td>No. of private meetings attended</td>
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<tr>
<td>Bob Stensholt MP (Chair)</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Kim Wells MP (Deputy Chair)</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Greg Barber MLC</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>Richard Dalla-Riva MLC</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Judith Graley MP</td>
<td>7</td>
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</tr>
<tr>
<td>Janice Munt MP*</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Martin Pakula MLC</td>
<td>7</td>
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<tr>
<td>Gordon Rich-Phillips MLC*</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Robin Scott MP</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>Bill Sykes MP</td>
<td>7</td>
<td>5</td>
</tr>
</tbody>
</table>

* Janice Munt MP and Gordon Rich-Phillips MLC were appointed to the Committee on 20 March following assent to the Parliamentary Legislation Amendment Act 2007
56th Parliament – 2006-07

**Number of meetings and hearings held**

<table>
<thead>
<tr>
<th>Committee</th>
</tr>
</thead>
</table>
| Number of private meetings | 9  
| Number of public hearings | 6  

**Number of meetings and hearings attended**

<table>
<thead>
<tr>
<th>Member’s name</th>
<th>Full Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of private meetings eligible to attend</td>
</tr>
<tr>
<td>------------------------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Christine Campbell MP (Chair)</td>
<td>9</td>
</tr>
<tr>
<td>Bill Forwood MLC (Deputy Chair)</td>
<td>9</td>
</tr>
<tr>
<td>Bill Baxter MLC</td>
<td>9</td>
</tr>
<tr>
<td>Robert Clark MP</td>
<td>9</td>
</tr>
<tr>
<td>Danielle Green MP</td>
<td>9</td>
</tr>
<tr>
<td>James Merlino MP</td>
<td>9</td>
</tr>
<tr>
<td>Gordon Rich-Phillips MLC</td>
<td>9</td>
</tr>
<tr>
<td>Glenyss Romanes MLC</td>
<td>9</td>
</tr>
<tr>
<td>Adem Somyurek MLC</td>
<td>9</td>
</tr>
</tbody>
</table>
## PAEC Budget and expenditure
**2005-06 to 2006-07**

<table>
<thead>
<tr>
<th>Expenditure</th>
<th>Budget</th>
<th>Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005-06</td>
<td>2006-07</td>
<td>2006-07</td>
</tr>
<tr>
<td>($$)</td>
<td>($$$)</td>
<td>($$$)</td>
</tr>
<tr>
<td>Members’ expense allowances</td>
<td>12,873</td>
<td>12,500</td>
</tr>
<tr>
<td>Salaries and associated costs of the Secretariat (a)</td>
<td>440,927</td>
<td>462,526</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>95,972</td>
<td>54,000</td>
</tr>
<tr>
<td>Inquiries</td>
<td>123,968&lt;sup&gt;(b)&lt;/sup&gt;</td>
<td>150,670</td>
</tr>
<tr>
<td>Additional funding from Treasurer’s Advance</td>
<td>–</td>
<td>240,000</td>
</tr>
<tr>
<td><strong>Total expenditure</strong></td>
<td><strong>673,740</strong></td>
<td><strong>919,696</strong></td>
</tr>
</tbody>
</table>

**Notes:**
- (a) does not include cost of specialist advisors who have been included in inquiries
- (b) the vacant economist position was not filled from 18 March 2006
- (c) includes travel and accommodation for the biennial ACPAC conference, Canberra
- (d) reflects resignations of the Executive Officer in February 2007 and a Research Officer in March 2007
Public Accounts and Estimates Committee reports

Reports of the 56th Parliament

<table>
<thead>
<tr>
<th>Report number</th>
<th>Date tabled</th>
<th>Title of report</th>
</tr>
</thead>
<tbody>
<tr>
<td>76</td>
<td>October 2007</td>
<td>Report on Trustee arrangements for governing the Parliamentary Contributory Superannuation Fund</td>
</tr>
<tr>
<td>75</td>
<td>June 2007</td>
<td>Report on the Appointment of a person to conduct the performance audit of the Victorian Auditor-General's Office</td>
</tr>
<tr>
<td>74</td>
<td>June 2007</td>
<td>Report on the Appointment of a person to conduct the financial audit of the Victorian Auditor-General's Office</td>
</tr>
<tr>
<td></td>
<td>June 2007</td>
<td>Report on the 2007-08 Budget Estimates – Part Two</td>
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</table>

Reports of the 55th Parliament

<table>
<thead>
<tr>
<th>Report number</th>
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<tbody>
<tr>
<td>72</td>
<td>October 2006</td>
<td>Annual Report for 2005-06</td>
</tr>
<tr>
<td>71</td>
<td>October 2006</td>
<td>Report on private investment in public infrastructure</td>
</tr>
<tr>
<td>69</td>
<td>April 2006</td>
<td>Report on the 2004-05 Budget Outcomes</td>
</tr>
<tr>
<td>68</td>
<td>March 2006</td>
<td>Review of the report on the performance audit of the Victorian Auditor-General's Office</td>
</tr>
<tr>
<td>67</td>
<td>February 2006</td>
<td>Report on a legislative framework for independent officers of Parliament</td>
</tr>
<tr>
<td>65</td>
<td>November 2005</td>
<td>Annual Report for 2004-05</td>
</tr>
<tr>
<td>64</td>
<td>September 2005</td>
<td>Report on the review of the Auditor-General’s report on – Parliamentary control and management of appropriations</td>
</tr>
<tr>
<td>63</td>
<td>May 2005</td>
<td>Report on Corporate Governance in the Victorian Public Sector</td>
</tr>
<tr>
<td>61</td>
<td>December 2004</td>
<td>Annual Report for 2003-04</td>
</tr>
<tr>
<td>60</td>
<td>December 2004</td>
<td>Report on the review of the Auditor-General’s performance audit report on – Services for people with an intellectual disability, and Easy English version</td>
</tr>
<tr>
<td>58</td>
<td>November 2004</td>
<td>Report on the review of the Auditor-General’s special report no.51 – Victorian Rural Ambulance Services: fulfilling a vital community need</td>
</tr>
<tr>
<td>Page</td>
<td>Date</td>
<td>Title</td>
</tr>
<tr>
<td>------</td>
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</tr>
<tr>
<td>57</td>
<td>May 2004</td>
<td>Report on the Appointment of Persons to conduct Financial and Performance Audits of the Victorian Auditor-General’s Office</td>
</tr>
<tr>
<td>56</td>
<td>April 2004</td>
<td>Report on the 2002-03 Budget Outcomes</td>
</tr>
<tr>
<td>53</td>
<td>July 2003</td>
<td>Annual Report for 2001-02</td>
</tr>
<tr>
<td>52</td>
<td>June 2003</td>
<td>Report on the 2002-03 Budget Estimates</td>
</tr>
<tr>
<td>51</td>
<td>June 2003</td>
<td>Report on the 2000-01 Budget Outcomes</td>
</tr>
<tr>
<td></td>
<td>November 2003</td>
<td>Report on the evidence obtained overseas in connection with the Inquiry into Private Sector Investment in Public Infrastructure</td>
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</tbody>
</table>