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LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

PUBLIC ACCOUNTS COMMITTEE

ANNUAL REPORT

YEAR ENDED 30 JUNE 2002

REPORT NUMBER 40

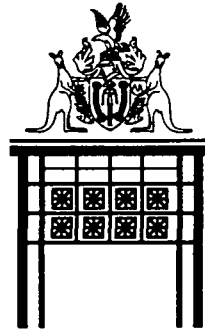
NOVEMBER 2002

Presented and
Ordered to be Printed
By the Legislative
Assembly on
28 November 2002

THIS ANNUAL REPORT

The Annual Report of the Public Accounts Committee is a document of accountability to the Legislative Assembly and provides a statement to other interested stakeholders on the Committee's role, structure, responsibilities and activities.

The Public Accounts Committee is required to report annually in accordance with Section 21A of the Standing Orders of the Legislative Assembly of the Northern Territory. A summary of activities is also included within the Department of Legislative Assembly annual report for the same reporting year as required by Section 28 of the *Public Sector Employment and Management Act*.



LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

PUBLIC ACCOUNTS COMMITTEE

ANNUAL REPORT

YEAR ENDED 30 JUNE 2002

REPORT NUMBER 40

NOVEMBER 2002

Members

Dr Chris Burns, MLA
(Chairman)

Mr Steve Dunham, MLA

Mr Len Kiely, MLA

Dr Richard Lim, MLA

Mr Elliot McAdam, MLA

Mr Gerry Wood, MLA

Secretariat

Terry Hanley
Secretary

Roseline Vogeli
Research Assistant

Legislative Assembly of the Northern Territory

Public Accounts Committee

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Public Accounts Committee

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GPO Box 3721
DARWIN NT 0801

November 2002

The Hon. L.M. Braham, MLA
Speaker
Legislative Assembly of the Northern Territory
GPO Box 3721
DARWIN NT 0801

Dear Madam Speaker,

On behalf of the Committee and in accordance with the provisions of section 21A of the Standing Orders of the Legislative Assembly of the Northern Territory, I submit this Annual Report to you on the activities, staffing and operations of the Public Accounts Committee for the financial year ended 30 June 2002.

I have been advised that the system of internal control provides reasonable assurance that:

- (a) proper records of all transactions affecting the Public Accounts Committee are kept by the Department of Legislative Assembly and that provisions of the *Financial Management Act*, Treasury Regulations and the Treasurer's Directions have been observed; and
- (b) procedures within the Department ensure a proper control over expenditure and public property of the Public Accounts Committee.

Having regard to the provisions of the aforementioned legislation, I have been advised that there are no indication of fraud, malpractice, major breach of legislation or delegation, major error in or omission from the accounts and records of the Department of Legislative Assembly, that apply to the Public Accounts Committee.

Yours sincerely

ELLIOT McADAM, MLA
Chairman

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PROFILE OF COMMITTEE MEMBERS

The Members of the Public Accounts Committee during the year were:

Dr Chris Burns, MLA

Appointed 16 October 2001
Australian Labor Party
Elected Chairman 23 October 2001
Member for Johnston. First elected 18 August 2001
Deputy Chairman of Committees
Other Committees: Privileges; Standing Orders; Substance Abuse

Mr S Dunham, MLA

Appointed 18 October 2001
Country Liberal Party
Member for Drysdale. First elected 30 August 1997
Shadow Minister for Health, Family and Children's Services; Essential Services; Senior Territorian
Other Committee: House

Mr Len Kiely, MLA

Appointed 16 October 2001
Australian Labor Party
Member for Sanderson. First elected 18 August 2001
Deputy Chairman of Committees
Other Committees: Subordinate Legislation and Publications; Legal and Constitutional Affairs

Dr Richard Lim, MLA

Appointed 18 October 2001
Country Liberal Party
Member for Greatorex. First elected 4 June 1994
Deputy Chairman of Committees
Shadow Minister for Central Australia, Regional Development, Housing and Local Government, Corporate and Information Services, Ethnic Affairs
Other Committees: Standing Orders; Substance Abuse

Mr Elliot McAdam, MLA

Appointed 16 October 2001
Australian Labor Party
Member for Barkly. First elected 18 August 2001
Government Whip
Other Committees: Substance Abuse

Mr Gerry Wood, MLA

Appointed 16 October 2001
Independent
Member for Nelson. First elected 18 August 2001
Chairman of Committees
Other Committee: Substance Abuse

CHARTER

Establishment of the Committee

The Northern Territory Public Accounts Committee was first established by temporary Standing Order 21A of the Legislative Assembly on 18 June 1986. The Committee's status was altered, by way of motion of the Chief Minister on 23 August 1988, from a Sessional Committee on a trial basis to a Standing Committee of the Parliament (refer to Appendix 1 for a recent appointments).

As a Committee of the Assembly, its authority is derived from the *Northern Territory (Self Government) Act* (of the Commonwealth), the *Legislative Assembly (Powers and Privileges) Act* (of the Northern Territory) and Standing Orders.

Reports of the Committee

The Committee is required to report to the Legislative Assembly, as per the Terms of Reference (Appendix 2), on an annual basis as well as providing specific reports from time to time to report its proceedings and evidence taken. (Refer Appendix 3 for previous reports of the Committee.)

Committee Membership

With the prorogation of the Assembly on Wednesday 1 August 2001, the following Committee membership lapsed:

The Hon. Eric Poole, MLA – Chairman
Mr Johan Elferink, MLA
Mr Paul Henderson, MLA
Mr Terry Mills, MLA
Dr Peter Toyne, MLA

On Tuesday 16 October 2001, the Deputy Chief Minister, the Hon. S.J. Stirling, MLA, appointed a new Committee which comprised of six (6) Members, three (3) Government Members, two (2) Opposition Members and one (1) Independent Member. This new structure provided for the inclusion of an Independent Member which increased The Committee membership by one.

Membership at 30 June 2002 consisted of:

Dr Chris Burns, MLA – Chairman
Mr Steve Dunham, MLA
Mr Len Kiely, MLA
Dr Richard Lim, MLA
Mr Elliot McAdam, MLA
Mr Gerry Wood, MLA

Committee Secretariat

Staffing for the Public Accounts Committee Secretariat is provided by the Department of the Legislative Assembly.

The Committee has a full-time Secretary who is supported by a Research Assistant.

Staff as at 30 June 2002:

Secretary: Mr Terry Hanley
Research Assistant: Mrs Roseline Vogeli

Parliamentary Hansard staff provide an additional transcribing and editing service for the Public Accounts Committee transcripts.

ACTIVITIES 2001-2002

MEETINGS

The Committee met on eighteen (18) occasions during the year. Details of these meetings are included on pages 11 to 13.

Members	Meetings Attended	Meetings Held
BURNS, Chris	18	18
DUNHAM, Steve	16	18
KIELY, Len	18	18
LIM, Richard	17	18
McADAM, Elliot	18	18
WOOD, Gerry	17	18

REPORTS TABLED

Annual Report Year Ended 30 June 2001 – Report No. 37 – Tabled on 29 November 2001

This report was tabled on 29 November 2001 and reviewed the activities of the Committee for the period 1 July 2000 to 30 June 2001.

Report of Inquiry into the Accuracy of the Budget Data Published in the 2001-02 Budget Papers with Respect to Both the Estimated Outcome for 2000-01 and the Budget for 2001-02 – Report No. 38 – Tabled on 22 May 2002

On 25 October 2001 and pursuant to paragraph 2(d)(i) of Standing Order 21A, the Chief Minister, the Hon. Clare Martin, MLA, moved that the following matter be referred to the Public Accounts Committee for inquiry and report:

- (1) That the Public Accounts Committee inquire into and report upon the accuracy of the budget data published in the 2001-02 Budget Papers with respect to both the estimated outcome for 2000-01 and the budget for 2001-02, with particular reference to:
 - (a) whether the data published for individual agencies differed materially from that understood by agencies to properly reflect the best estimates available to each agency at the time;

- (b) where there is a material difference, whether there is any supporting advice issued by the Treasury or the Treasurer's Office with regard to these differences, and the nature of that advice;
 - (c) whether the agency undertook to advise its respective minister, prior to the budget being delivered, that these differences existed;
 - (d) the impact these differences had on the reported totals for the Northern Territory public sector; and
 - (e) examine both the expenditure and receipts attributable to each agency in regard to points (a) to (d).
- (2) The Committee report to the Assembly on or before the second sittings of the Assembly in 2002.

These Terms of Reference came about as a result of a memorandum from, Mr Paul Bartholomew, Chief Executive Officer, Department of Health, Family and Children's Services, to the Minister responsible for that portfolio. Within that memorandum Mr Bartholomew stated that:

In summary there was an artificial reduction of \$8 million in THS' 2000/01 budget, in order that the 2000/02 budget figure could be presented falsely as a 2.5% increase. In reality THS 2000/02 budget represents a reduction on the final 2000/01 approved budget.

... In addition I express concern that as a consequence of these artificial adjustments, THS would be seen to be exceeding its approved budget by \$8m when this was demonstrably not the case.

The Chairman in his foreword to the report stated that:

This inquiry is the first major public inquiry carried out by the Northern Territory Public Accounts Committee for a considerable time.

The Committee wrote to all Chief Executive Officers informing them of the inquiry's Terms of Reference and requested each agency provide a response relating to the budget data published in 2001-02 budget papers.

All Chief Executive Officers responded to the Committee's request and as a result of the information provided, five agencies were identified with exceptional variations in the budget data as published in the 2001-02 Budget Papers. The agencies identified were:

- Department of Lands, Planning and Environment;
- Territory Health Services;
- Department of Education;
- NT Police, Fire and Emergency Services; and
- NT Treasury.

The Committee commenced a series of 10 public hearings which included a total of 32 hours of verbal evidence and 486 pages of transcripts. The final report was tabled in the Assembly on 22 May 2002. Attached to this report was a dissenting report co-signed by the Member for Drysdale, Mr Stephen Dunham, MLA and the Member for Greatorex, Dr Richard Lim, MLA.

Throughout the inquiry, the Committee engaged the services of Mrs Jane Large as a Specialist Financial Adviser. In his foreword to the report, the Chairman in commenting on the assistance provided by Mrs Large, stated she "... *independently and fearlessly gave her expert opinion to the Committee – particularly in the sometimes complicated aspects of Budget processes*".

In providing the Assembly with a series of recommendations the Committee's report contained the following statement:

The Committee records its belief that the Appropriation Bill is probably one of the most important pieces of legislation to come before Parliament and the people, because it sets out Government's performance and foreshadows how it intends to implement its policies.

The areas the Committee provided specific recommendations comprised:

- Recommendation 1 – Improve Budget Documentation
- Recommendation 2 – Improve Budgeting Culture
- Recommendation 3 – Establish an Estimates Committee
- Recommendation 4 – Agency Record-Keeping
- Recommendation 5 – Adequate Evaluation
- Recommendation 6 – Estimates of Land Sales
- Recommendation 7 – Review of Conflict of Interest in Committee

A summary of relevant public hearings for this inquiry can be found on pages 11 to 13.

Report on the Establishment of an Estimates Committee Process within the Northern Territory Parliament – Report No. 39 – Tabled on 20 June 2002

On Thursday 23 May 2002, in a motion before the Legislative Assembly, the Leader of Government Business, Mr Stirling, MLA, moved that the Assembly appoint an Estimates Committee.

In moving this motion, Mr Stirling required the Committee to consult with other States and Commonwealth Parliamentary Committees in preparation for the implementation of an estimates committee process for the 2002–03 Budget. The reference also required the Public Accounts Committee to report back to the Legislative Assembly prior to the end of the June 2002 sittings.

Committee Members visited Tasmania and were able to view the operation of that State's Estimates Committees as they had scheduled hearings from Monday 2nd to Thursday 4th June 2002. The Member for Drysdale, Mr Stephen Dunham, MLA, also incorporated a visit to the Queensland Parliament while the Member for Greatorex, Dr Richard Lim, MLA, visited the South Australian Parliament. The two Members provided individual reports on their visits and these were attached to the Committee's report to Parliament.

The Committee's report was tabled in the Assembly on 20 June 2002 and, in general terms, commended the Tasmanian model to the Parliament. In his foreword to the report, the Chairman advised that, although the principle recommendation was aligned to the Tasmanian Estimates Committee process, it was inappropriate to attempt to provide recommendations within the report as there were a number of broad issues which would require measured debate in the Legislative Assembly. It was to be this process which would eventually influence the specific terms of reference for the first Estimates Committee of the Northern Territory Legislative Assembly.

BRIEFINGS

Clerk of the Legislative Assembly

Mr I. McNeill

Throughout the year, the Committee obtained a number of extensive briefings from the Clerk on issues surrounding Members' obligations and procedural matters relating to Standing Orders as well as individual issues on which Members sought his professional advice.

The dates of the Clerk's appearance before the Committee were:

23.10.01 – Standing Orders

16.11.01 – Standing Orders (continuation) and Public Hearings Process

5.12.01 – Contact with the media during the Budget Inquiry

Auditor-General for the Northern Territory

Mr I. Summers

Following the tabling of his reports in the Assembly, the Auditor-General appeared before the Committee to provide additional information on issues contained within those reports. In his initial briefing with the newly appointed Committee, Mr Summers spoke on the role that should exist between his office and the Public Accounts Committee.

The dates of the Auditor-General's appearance before the Committee were:

23.10.01 – August 2001 Report to the Legislative Assembly and Role of the Public Accounts Committee

16.11.01 – August 2001 Report to the Legislative Assembly (continuation) and Strategic (Triennial) Review of the NT Auditor-General's Office

23.04.02 – February 2002 Report to the Legislative Assembly and Analysis of the 2000–01 Treasurer's Annual Financial Statement

Northern Territory Treasury

Mr K. Clarke, Under Treasurer, Mrs J. Prince, Deputy Under Treasurer and Mrs K. Robinson, Director, Financial Management Reform

Mr Clarke, Under Treasurer, together with senior personnel, kept the Committee well informed on the implementation of accrual accounting

The dates Treasury's personnel appeared before the Committee were:

27.11.01 – Implementation of Accrual Accounting within the Public Sector

5.3.02 – Implementation of Accrual Accounting within the Public Sector (3-monthly review)

A full schedule of these briefings is contained within the Summary of Meeting, Briefings and Public Hearings at pages 11 to 13.

INQUIRIES

The Committee took the decision to schedule the following inquiries:

Internal Audits within Agencies

This issue was highlighted by the Auditor-General in his August 2001 Report to the Legislative Assembly. In addressing this subject the Committee wrote to all departments and agencies requesting the provision of a detailed analysis of their internal audit program spanning the last three years.

Prior to prorogation on 1 August 2002, Committee Members were of the view that this matter was important enough to instruct the Secretary to take appropriate action to have the matter carried over to any new Committee.

All departments and agencies provided the Committee with detailed submissions which Members are in the process of reviewing prior to pursuing the issue further.

Capital Works Expenditure

This was another issue that was contained within the Auditor-General Analysis of the 2000/01 Treasurer's Annual Financial Statement

A letter was forwarded to the Department of Infrastructure, Planning and Environment requesting a written submission addressing the various issues raised in the above report.

A final date for a hearing into this matter has not yet been set at the time of publication of this annual report.

ANNUAL REPORTS AWARDS

2002 Northern Territory Public Sector Annual Report Awards

The Committee continues to provide support and sponsorship to the Northern Territory Public Sector Annual Report Awards co-sponsored by the Northern Territory Offices of Deloitte Touche Tohmatsu (Chartered Accountants) and the Northern Territory Division of the Institute of Public Administration Australia.

Dr Chris Burns, MLA represented the Committee in the adjudication process for the Awards. The Awards' finalists were announced on 30 May 2002 at a ceremony held at the Deloitte Touche Tohmatsu's offices in Darwin.

A total of 20 entries were received for the 2002 Awards, compared to 30 for the 2001 Awards. The reduction in the number of NT Government entities from 34 to 18 in November 2001 undoubtedly impacted on the number of entries. A number of entities were merged into larger agencies and were no longer required to provide their own separate annual report. The on-going viability of the Awards process will continue to be assessed. The availability of individual feedback does continue to provide value from entering the Awards process. Awards are chosen by a consensus decision of the Adjudication Panel with the overall winner being selected amongst Award of Excellence winners only and decided by a majority vote.

The 2002 overall winner was Territory Health Services.

Awards of Excellence and Awards of Merit were awarded to:

Awards of Excellence	Awards of Merit
Darwin Port Corporation	Department of Corporate and Information Services
Department of Transport and Works	Department of Sport and Recreation
Territory Health Services	Northern Territory University
	Northern Territory Tourist Commission
	Territory Housing

CONFERENCES

Australasian Council of Public Accounts Committees, Mid-Term Meeting, Melbourne 7 February 2002

The Chairman, Dr Chris Burns, MLA, and Mr Terry Hanley, Committee Secretary, participated in the meeting.

Topics considered included:

- Reports on developments of all PACs
- Proposed changes to the ACPAC's Constitution
- Theme, Suggested topics and format for the 2003 Conference

SUMMARY OF MEETINGS, BRIEFINGS AND PUBLIC HEARINGS

<i>No.</i>	<i>Date</i>	<i>Type of Meeting</i>	<i>Reference</i>	<i>Witness Organisation Represented</i>
1	23.10.01	Deliberative Briefing	<ul style="list-style-type: none"> • Standing Orders 	Mr I. McNeill, Clerk <i>Legislative Assembly</i> Darwin
		Briefing	<ul style="list-style-type: none"> • Auditor-General's August 2001 Report to the Legislative Assembly • Role of the PAC 	Mr I. Summers, Auditor-General <i>Office of the Auditor-General</i> Darwin
2	16.11.01	Deliberative		
		Briefing	<ul style="list-style-type: none"> • Auditor-General's August 2001 Report to the Legislative Assembly (cont'd) • Strategic (Triennial) Review of the NT Auditor-General's Office 	Mr I. Summers, Auditor-General <i>Office of the Auditor-General</i> Darwin
		Briefing	<ul style="list-style-type: none"> • Standing Orders • Public Hearings Process 	Mr I. McNeill, Clerk <i>Legislative Assembly</i> Darwin
3	23.11.01	Deliberative		
4	27.11.01	Deliberative		
		Briefing	<ul style="list-style-type: none"> • Implementation of Accrual Accounting within the Public Sector 	Mr K. Clarke, Treasurer Mrs J. Prince, Deputy Under Treasurer Mrs K. Robinson, Director, Financial Management Reform <i>NT Treasury</i> Darwin
PH1	30.11.01	Public Hearings	<ul style="list-style-type: none"> • Inquiry into the Accuracy of the Budget Data Published in the 2001-02 Budget Papers with Respect to Both the Estimated Outcome for 2000-01 and the Budget for 2001-02 	Commissioner B. Bates, AM, APM Assistant Commissioner D. Smith, APM <i>Police, Fire and Emergency Services</i> Mr P. Bartholomew, Chief Executive Officer Ms J. Schilling, Acting Assistant Secretary, Business and Operational Support <i>Department of Health and Community Services</i> Darwin
5	5.12.01	Deliberative Briefing	Budget Inquiry – Members and the media	Mr I. McNeill, Clerk <i>Legislative Assembly</i> Darwin

Annual Report Year Ended 30 June 2002

<i>No.</i>	<i>Date</i>	<i>Type of Meeting</i>	<i>Reference</i>	<i>Witness Organisation Represented</i>
PH2	5.12.01	Public Hearings	<ul style="list-style-type: none"> Inquiry into the Accuracy of the Budget Data Published in the 2001-02 Budget Papers with Respect to Both the Estimated Outcome for 2000-01 and the Budget for 2001-02 	<p>Mr B. Chambers, Chief Executive Officer Mr J. Pinney, Executive Director Lands and Planning <i>Department of Infrastructure, Planning and Environment</i></p> <p>Mr P. Plummer, Chief Executive Officer Mr K. Simpson, General Manager Corporate Support Mr T. Saunders, Director Financial Services <i>Department of Employment, Education and Training</i></p> <p>Ms S. Butterworth, Chief Executive Officer Mr N. Pellissier, Director Budgets and Commercial <i>Department of Corporate and Information Services</i> Darwin</p>
6	5.12.01	Deliberative		
PH3	6.12.01	Public Hearings	<ul style="list-style-type: none"> Inquiry into the Accuracy of the Budget Data Published in the 2001-02 Budget Papers with Respect to Both the Estimated Outcome for 2000-01 and the Budget for 2001-02 	<p>Mr S. Dunham, MLA <i>Former Minister for Territory Health</i> Darwin</p>
7	4.02.02	Deliberative		
PH4	4.02.02	Public Hearings	<ul style="list-style-type: none"> Inquiry into the Accuracy of the Budget Data Published in the 2001-02 Budget Papers with Respect to Both the Estimated Outcome for 2000-01 and the Budget for 2001-02 	<p>Mr C. Lugg <i>Former Minister for Education</i> Darwin</p>
8	4.02.02	Deliberative		
9	26.02.02	Deliberative		
PH5	11.03.02	Public Hearings	<ul style="list-style-type: none"> Inquiry into the Accuracy of the Budget Data Published in the 2001-02 Budget Papers with Respect to Both the Estimated Outcome for 2000-01 and the Budget for 2001-02 	<p>Mr M. Reed, MLA <i>Former Treasurer</i> Darwin</p>

Annual Report Year Ended 30 June 2002

<i>No.</i>	<i>Date</i>	<i>Type of Meeting</i>	<i>Reference</i>	<i>Witness Organisation Represented</i>
10	5.03.02	Deliberative Briefing	<ul style="list-style-type: none"> Implementation of Accrual Accounting within the Public Sector 	Mrs J. Prince, Acting Treasurer Mrs K. Robinson, Director, Financial Management Reform <i>NT Treasury</i> Darwin
11	27.03.02	Deliberative		
12	23.04.02	Deliberative Briefing	<ul style="list-style-type: none"> Auditor-General's February 2002 Report to Legislative Assembly Auditor-General's Analysis of the 2000-01 Treasurer's Annual Financial Statement 	Mr I. Summers, Auditor-General <i>Office of the Auditor-General</i> Darwin
13	8.05.02	Deliberative		
14	14.05.02	Deliberative		
15	6.05.02	Deliberative		
16	23.05.02	Deliberative		
17	14.06.02	Deliberative		
18	18.06.02	Deliberative		

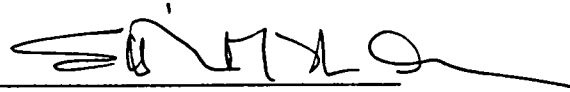
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2002

MEMBERS' STATEMENT

The accompanying financial statements have been based on proper accounts and records of the Department of Legislative Assembly and have been drawn up so as to present a true and fair view of the financial transactions of the Public Accounts Committee for the financial year ended 30 June 2002.

In my opinion, the prescribed requirements in respect of the establishment and keeping of accounts have been complied with. I am not aware of any circumstances which would render the financial statements to be misleading or inaccurate.

Dated at Darwin, Northern Territory, this 26th day of November 2002.



Mr E. McADAM, MLA
Chairman

on behalf of
Members of the Public Accounts Committee

2001-2002 EXPENSES BY STANDARD CLASSIFICATION

Actual 2001	Category of Cost Standard Classification	Actual 2002
	PERSONNEL COSTS	
506	Fringe Benefits Tax	1 932
1 440	Higher Duties	0
693	Leave Loading	748
1 198	NT Allowance	1 168
14	Other Personnel Allowances	432
0	Overtime	1 301
7 593	Payroll Tax	9 139
2 918	Recreation Leave Fares	8 303
100 927	Salaries	118 409
8 201	Superannuation	8 610
0	Workers Compensation	1 960
123 490	Sub-Total — Personnel Costs	152 002
	OPERATIONAL COSTS	
0	Advertising	924
299	Clothing	0
2 582	Communications	1 766
0	Consultants Fees	19 766
387	Consumables/General Expenses	121
0	Document Production	3 637
192	Entertainment/Hospitality	583
15	Freight	0
326	Furniture and Fittings	0
14 047	Information Technology Services	0
0	Legal Expenses	3 513
0	Library Services	61
0	Marketing and Promotions	1 078
685	Membership and Subscriptions	564
12 563	Motor Vehicle Expenses	4 923
1 147	Office Requisites and Stationery	1 330
4 037	Official Duty Fares	18 774
913	Other Plant and Equipment	1 247
26	Property Maintenance	129
208	Recruitment Expenses	0
450	Training and Study Expenses	135
2 935	Travelling Allowance	10 451
40 812	Subtotal — Operational Costs	69 002
164 302	TOTAL EXPENSES	221 004

This is not an audited statement.

**EMPLOYEES ENTITLEMENTS OUTSTANDING
AS AT 30 JUNE 2001**

2001	Entitlements	2002
2 189	Leave Loading	3 019
22 718	Recreation Leave	33 324
50 210	Long Service Leave	48 107
75 117	TOTAL	84 450

This is not an audited statement.

Basis of Calculations

- 1. Leave Loading**
Entitlements are the value of actual leave loading.
- 2. Recreation Leave**
Entitlements are calculated using employee's nominal designation and salary rate for days of credited leave.
- 3. Long Service Leave**
Entitlements are calculated using employee's nominal designation and salary rate for years of service.

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2001

1. Accounting Entity

The Public Accounts Committee is a Sub-Output of the Assembly Services Output within the Department of the Legislative Assembly. The Agency is wholly funded by annual parliamentary appropriations and maintains an on-going dependency on these appropriations.

2. Significant Accounting Policies

(a) Basis of Accounting:

The Financial Statements have been prepared in accordance with Part 2, Section 5 of the Treasurer's Directions. The accounting records have been kept on a cash basis and reflect actual cash outflows during the financial year.

All amounts in the Committee's financial report are rounded to the nearest dollar and are expressed in Australian currency.

(b) Appropriation:

Parliamentary appropriations have not been recognised as revenue during the reporting period.

(c) Authority:

Payments have been made under the Authority of the *Financial Management Act* and the Authority of the Treasurer's Warrant.

(d) Funding:

Funds for Committee activities are provided by the Department of the Legislative Assembly. Provision of salary and administrative activities are appropriated by the Parliament to the Assembly Services (Output), Committee Support Services and Advice (Sub-Output) within the budget appropriated to the Department of Legislative Assembly. The Public Accounts Committee was one of three (3) Standing and Select Committees that received funds from this program. A notional budget is provided each year for these committees.

(e) The Committee does not operate any Trust Accounts.

(f) There were no material Accounts Receivable, Accounts Payable or authorised Write-offs and Waivers as at 30 June 2001.

(g) Committee Members' Remuneration:

The Chairman of the Public Accounts Committee receives an allowance for services as presiding officer of the Committee. In accordance with Remuneration Tribunal Determination 1 of 2001, effective 31 October 2001, this allowance was set at \$16 668 per annum.

This allowance is met directly from the Department of the Legislative Assembly's budget. Other sitting Members do not receive an allowance.

(i) Services received at no cost from the Northern Territory Government/Department of Legislative Assembly

The Committee, as a Sub-Output of the Assembly Services Output within the Department of the Legislative Assembly, received the following services which have not been costed to the Committee:

- Rent of premises;
- Electricity;
- Briefings provided by employees of the Northern Territory Government;
- Superannuation contributions;
- Members' salary for sitting days;
- Superannuation contributions in respect of employees' contributions;
- Office cleaning;
- Office security;
- Payroll services and cheque production services provided by NT Treasury;
- Accounting fees for services provided by Department of Legislative Assembly.

APPENDICES

*APPENDIX 1***MEMBERSHIP OF THE PUBLIC ACCOUNTS COMMITTEE**

MEMBER	PERIOD	STATUS
Adamson, Mr P F	28 Nov 1996 – 12 Aug 1987	Member
Bailey, Mr J D	4 Dec 1990 – 17 May 1994	Member
	27 Jun 1994 – 12 Aug 1997	Member
	26 Nov 1997 – 18 Jun 1999	Member
Braham, Mrs L M	27 Jun 1994 – 28 Nov 1996	Member
	28 Nov 1996 – 12 Aug 1997	Chairman
Burke, Mr D G	23 Aug 1994 – 15 Aug 1995	Member
Burns, Dr C B	16 Oct 2001 – *	Chairman
Dondas, Mr N M	23 Aug 1988 – 10 Oct 1989	Member
Dunham, Mr S	26 Nov 1997 – 16 Feb 1999	Chairman
	18 Oct 2001 – *	Member
Collins, Mr R L	20 Aug 1986 – 16 Feb 1987	Member
Ede, Mr B R	28 Apr 1987 – 23 Aug 1988	Member
	23 Aug 1988 – 5 Oct 1990	Member
	27 Jun 1994 – 23 Aug 1996	Member
Elferink, Mr J W	14 Oct 1998 – 1 Aug 2001	Member
Henderson, Mr P R	10 Aug. 1999 – 1 Aug 2001	Member
Hatton, Mr S P	26 Nov 1997 – 14 Oct 1998	Member
Harris, Mr T	7 May 1987 – 17 May 1988	Member
Kiely, Mr L F	16 Oct 2001 – *	Member
Leo, Mr D M	18 Jun 1986 – 16 Feb 1987	Member
	28 Apr 1987 – 23 Aug 1988	Member
	23 Aug 1988 – 5 Oct 1990	Member

Annual Report Year Ended 30 June 2002

MEMBER	PERIOD	STATUS
Lim, Dr R S H	28 Nov 1996 – 12 Aug 1997	Member
	16 Feb 1999 – 28 Nov 2000	Member
	18 Oct 2001 – *	Member
Lugg, Mr C D	26 Nov 1997 – 15 Feb 1999	Member
	16 Feb 1999 – 10 Aug 1999	Chairman
McAdam, Mr E	16 Oct 2001 – *	Member
McCarthy, Mr T R	28 Apr 1987 – 7 May 1987	Member
	24 Aug 1993 – 17 May 1994	Member
Mills, Mr T K	28 Nov 2000 – 1 Aug 2001	Member
Mitchell, Mr P A	15 Aug 1995 – 28 Nov 1996	Member
Palmer, Mr M J	18 Jun 1986 – 16 Feb 1997	Member
	28 Apr 1987 – 30 April 1987	Member
	30 April 1987 – 23 August 1988	Chairman
	23 Aug 1988 – 5 Oct 1990	Chairman
	4 Dec 1990 – 17 May 1994	Chairman
	27 Jun 1994 – 23 August 1994	Chairman
Parish, Mr K A	25 Feb 1992 – 17 May 1994	Member
Perron, Mr M B	18 Jun 1986 – 16 Feb 1987	Chairman
Poole, Mr E H	28 Apr 1987 – 17 May 1988	Member
	10 Oct 1989 – 5 Oct 1990	Member
	4 Dec 1990 – 4 Mar 1993	Member
	10 Aug 1999 – 1 Aug 2001	Chairman
Reed, Mr M A	17 May 1988 – 16 Aug 1988	Member
Setter, Mr R A	17 May 1988 – 23 Aug 1988	Member
	23 Aug 1988 – 5 Oct 1990	Member
	4 Dec 1990 – 17 May 1994	Member
	27 Jun 1994 – 25 Aug 1994	Member
	25 Aug 1994 – 28 Nov 1996	Chairman
Smith, Mr T E	18 Jun 1986 – 20 Aug 1986	Member
Stirling, Mr S J	4 Dec 1990 – 25 Feb 1992	Member

MEMBER	PERIOD	STATUS
Toyne, Mr P H	28 Nov 1996 – 12 Aug 1997 26 Nov 1997 – 1 Aug 2001	Member Member
Tuxworth, Mr I L	18 Jun 1986 – 16 Feb 1987	Member
Vale, Mr R W S	4 Mar 1993 – 24 Aug 1993	Member
Wood, Mr G	16 Oct 2001 – *	Member

* Membership as at 30 June 2002

NOTE:

The Public Accounts Committee was established by provisional Standing Order 21A to operate on a trial basis as a Sessional Order on 18 June 1986.

Pursuant to a resolution of the Assembly on 23 August 1988, the status of the Public Accounts changed from a Provisional Standing Committee to a Standing Committee.

APPENDIX 2

TERMS OF REFERENCE

STANDING ORDER 21A PUBLIC ACCOUNTS COMMITTEE

21A PUBLIC ACCOUNTS COMMITTEE

- (1) A Standing Committee of Public Accounts to consist of five members shall be appointed at the commencement of each Assembly.
- (2) The duties of the Committee shall be –
 - (a) to examine the accounts of the receipts and expenditure of the Northern Territory and each statement and report tabled in the Legislative Assembly, pursuant to the *Financial Management Act* and the *Audit Act*;
 - (b) to report to the Legislative Assembly with such comments as it thinks fit, any items or matters in or arising in connection with those accounts, statements or reports, or in connection with the receipt or disbursement of the moneys to which they relate, to which the Committee is of the opinion that the attention of Parliament should be drawn;
 - (c) to report to the Legislative Assembly any alteration which the Committee thinks desirable in the form of the public accounts or in the method of keeping them or in the method of receipt, control, issue or payment of public moneys;
 - (d) to inquire into and report to the Legislative Assembly on any question in connection with the public accounts of the Northern Territory—
 - (i) which is referred to it by a resolution of the Assembly; or
 - (ii) which is referred to it by the Administrator or a Minister; and
 - (e) to examine the reports of the Auditor-General tabled in the Legislative Assembly with the accounts of an Agency of the Northern Territory, including any documents annexed or appended to those reports, pursuant to the *Audit Act*.
- (3) The Committee shall examine only those accounts of receipts and expenditure of the Northern Territory and reports of the Auditor-General for financial years commencing after 30 June 1986 provided that this shall not prevent the consideration by the Committee of matters included in reports of the Auditor-General for the year ending 30 June 1986 which have or may have a continuing effect on the form of the public accounts, the method of receipt, control, issue or payment of public moneys.

- (4) Prior to determining whether to undertake an inquiry into any matter which may have arisen in connection with the public accounts of the Northern Territory, pursuant to paragraphs (2)(a) and (e), with the concurrence of the Committee, the Chairman is empowered to write to the Chief Executive Officer of the relevant agency for a report on the matter.
- (5) The Committee shall take care not to inquire into any matters which are being examined by a Select Committee of the Assembly especially appointed to inquire into such matters and any question arising in connection therewith may be referred to the Assembly for determination.
- (6) The Committee shall elect a Government Member as Chairman.
- (7) The Chairman of the Committee may, from time to time, appoint a Member of the Committee to be the Deputy Chairman of the Committee and the Member so appointed shall act as Chairman of the Committee at any time when there is no Chairman or when the Chairman is not present at a meeting of the Committee.
- (8) In the event of an equality of voting, the Chairman, or the Deputy Chairman when acting as Chairman, shall have a casting vote.
- (9) The Committee shall have power to appoint sub-committees and to refer to any such sub-committee any matter which the Committee is empowered to examine.
- (10) Three Members of the Committee shall constitute a quorum of the Committee and two Members of a sub-committee shall constitute a quorum of the sub-committee.
- (11) The Committee or any sub-committee shall have power to send for persons, papers and records, to adjourn from place to place, to meet and transact business in public or private session and to sit during any adjournment of the Assembly.
- (12) The Committee shall be empowered to print from day to day such papers and evidence as may be ordered by it and, unless otherwise ordered by the Committee, a daily *Hansard* shall be published of such proceedings of the Committee as take place in public.
- (13) The Committee may proceed to the dispatch of business notwithstanding that all Members have not been appointed and notwithstanding any vacancy.
- (14) The Committee shall report annually and shall have leave to report from time to time and to report its proceedings and evidence taken; and any Member of the Committee shall have power to add a protest or dissent to any report.
- (15) Unless otherwise ordered by the Committee, all documents received by the Committee during its inquiry shall remain in the custody of the Assembly: provided that, on the application of a department or person, any document, if not likely to be further required, may, in the Speaker's discretion, be returned to the department or person from whom it was obtained.
- (16) The Committee shall be provided with all necessary staff, facilities and resources and shall be empowered, with the approval of the Speaker, to appoint persons with specialist knowledge for the purposes of the Committee.

*APPENDIX 3***PUBLIC ACCOUNTS COMMITTEE'S REPORTS**

<i>No.</i>	<i>Title</i>	<i>Date Tabled</i>
1	Annual Report Year Ended 30 June 1987	September 1987
2	Report on the Actual and Contingent Liabilities of the Northern Territory Government	November 1987
3	Report on the Auditor-General's Annual Reports 1985-86	May 1988
4	Report on Accelerated Year End Spending	May 1988
5	Annual Report Year Ended 30 June 1988	August 1988
6	Report on Public Administration Recurrent Expenditure (Waste Watch)	October 1988
7	Report on the Auditor-General's Annual Reports 1986-87	May 1989
8	Report on Aero-Medical Contract	May 1989
9	Annual Report Year Ended 30 June 1989	November 1989
10	Second Report on the Actual and Contingent Liabilities of the Northern Territory Government	February 1991
11	Annual Report Year Ended 30 June 1990	February 1991
12	Report on the Auditor-General's Annual Reports 1987-88 and 1988-89	May 1991
13	Annual Report Year Ended 30 June 1991	October 1991
14	Report on 1990 Election Costs	November 1991
15	Report on Biennial Conference of PAC, Darwin, May 1991	November 1991
16	Report on the Auditor-General's Report 1989-90	May 1992
17	Annual Report Year Ended 30 June 1992	October 1992
18	Australasian Council of Public Accounts Committees, Mid-Term Meeting, Monday 20 July 1992	November 1992
19	Report on the Purchase, Operation and Sale of Dalway Pty Ltd	March 1993
20	Annual Report Year Ended 30 June 1993	August 1993

Annual Report Year Ended 30 June 2002

<i>No.</i>	<i>Title</i>	<i>Date Tabled</i>
21	Report on the Auditor-General's Annual Reports 1990-91 and 1991-92	April 1994
22	Annual Report Year Ended 30 June 1994	October 1994
23	Annual Report Year Ended 30 June 1995	October 1995
24	Report on the Auditor-General's Annual Report 1992-93	October 1995
25	Second Report on the Auditor-General's Annual Report 1992-93	November 1995
26	Internal Audit in the Northern Territory Public Sector	November 1995
27	Provision of School Education Services for Remote Aboriginal Communities in the Northern Territory	August 1996
28	Provision of Health Services to Aboriginal Communities in the Northern Territory	November 1996
29	Annual Report Year Ended 30 June 1996	November 1996
30	Report on the Auditor-General's Annual and Mid Year Reports 1993-94 and 1994-95	February 1997
31	Annual Report Year Ended 30 June 1997	February 1998
32	Annual Report Year Ended 30 June 1998	December 1998
33	Report on the Auditor-General's Mid-Year and End of Financial Year Reports 1995-96 and 1998 - Inquiry into Fees, Fines and Outstanding Debts	February 1999
34	Inquiry into the Roles of Various Funding Bodies in the Development and Maintenance of Roads, Airstrips and Barge Landings on Aboriginal Communities and Outstations in the Northern Territory	August 1999
35	Annual Report Year Ended 30 June 1999	November 1999
36	Annual Report Year Ended 30 June 2000	November 2000
37	Annual Report Year Ended 30 June 2001	November 2001
38	Report of the Inquiry into the Accuracy of the Budget Data Published in the 2001-02 Budget Papers with Respect to Both the Estimated Outcome for 2000-01 and the Budget for 2001-02	May 2002
39	Report on the Establishment of an Estimates Committee Process within the Northern Territory Parliament	June 2002

**EXTRACTS FROM THE RECORDS OF THE LEGISLATIVE
ASSEMBLY**

Minutes of the Proceedings of the Legislative Assembly

Tuesday 16 October 2001

PUBLIC ACCOUNTS COMMITTEE —

The Leader of Government Business (Mr Stirling), by leave, moved — That notwithstanding anything contained in the Standing Orders, the following Members be appointed to the Standing Committee on Public Accounts: Dr Burns, Mr Kiely, Mr McAdam, Mr Wood and two Members nominated by the Leader of the Opposition.

Debate ensued.

Question — put and passed.

Thursday 18 October 2001

Paper tabled: The Speaker laid on the Table a letter from the Leader of the Opposition (Mr Burke) nominating Members to serve on parliamentary committees as follows:

Public Accounts

Mr S Dunham and Dr R Lim

Question — put and passed.

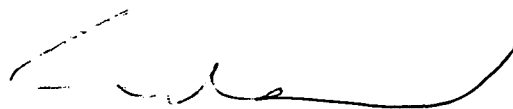
Some of these issues have been canvassed in parliamentary debates, and some will require further attention of the PAC or other parliamentary processes. Nonetheless these are all features of the year past and are listed here for completeness.

The opposition believes that the best interests of democracy will be served if these matters are transparently investigated through to a conclusion.



.....
Dr Richard Lim

26 Nov 2002



.....
Mr Stephen Dunham

26 Nov 2002

DISSENTING REPORT

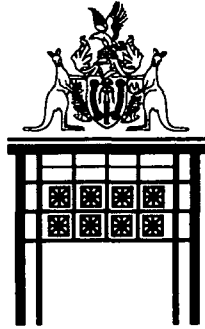
This year marks the most unusual and notorious period in the life of the Northern Territory Public Accounts Committee thus far. While it would be expected that change to the Committee would naturally occur as a result of an incoming Labor government, the most fundamental differences were as a result of pursuit of political vendettas, ignorance, lack of adherence to protocols, and government vacillation. Significant change to the Parliament's Committee system was mooted in the ALP pre election platform, His Honour the Administrator's address to the new parliament, and rhetoric in public and parliamentary debates over previous years.

With a few cosmetic exceptions, the Labor government has yet to commit to those modifications to the Parliament's Committee system which it took to the voters less than 12 months ago.

This dissenting report is prompted by the necessity to accurately and faithfully record several important issues which do not feature in the body of the Annual Report for the year ended 30 June 2002.

In the interests of fulsomely recording activities of the Parliamentary Accounts Committee the following issues warrant inclusion:

1. The Chairman's (Dr Burns MLA) erroneous comments to the National Public Accounts Committee forum
2. The Chairman's bias
3. The PAC's role in the establishment and initial operation of the Estimates Committee
4. The conduct of the Estimates Committee
5. The Committee's single minded pursuit of former Treasurer Mike Reed MLA over an issue which is now both commonplace and of greater magnitude under Labor
6. The government reneging on its commitment to reform the PAC
7. The termination of two senior Chief Executive Officers, Mr Ken Clark and Mr Paul Bartholomew as a result of PAC enquires
8. The unprecedented action of a PAC member, Member for Sanderson, (unbeknownst to the rest of the Committee) obtaining government sponsored legal advice to pursue another member of Parliament
9. The adequacy of resources to enable the PAC to properly undertake its role



LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

**PUBLIC ACCOUNTS COMMITTEE
(MINORITY REPORT)**

**DISSENTING REPORT TO
THE ANNUAL REPORT
YEAR ENDED 30 JUNE 2002**

REPORT NUMBER 40

NOVEMBER 2002