

Public Accounts Committees in Australasia: The state of play[#]

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Abstract

Public Accounts Committees (PACs) are typically one of the most important committees in Parliament, due to the key role such committees play in promoting public sector accountability and effective governance. This paper reports on the results of a survey of structures, responsibilities, processes and working practices adopted by PACs in ten jurisdictions across Australia and New Zealand. In examining the results of this survey, the paper devotes particular attention to key issues relating to Australasian PACs such as establishment and authority of PACs, powers and responsibilities of PACs, membership and leadership, staffing, relationships with other committees, and the evaluation of PAC performance.

Introduction

This paper reports on a survey of practices in Public Accounts Committees (PACs) in the ten Australasian jurisdictions (the eight Australian states and territories, plus the Federal Governments of Australia and New Zealand) by KPMG in conjunction with the Public Sector Governance and Accountability Research Centre (PSGARC) at La Trobe University (KPMG 2006). PACs have a key role to play in public sector accountability, with such committees ensuring the appropriate use by government of public moneys, and as such, have been described as one of the most important of all parliamentary committees. McGee (2002, p. 55) described them in the following terms:

The PAC helps Parliament hold the government to account for its use of public funds and resources by examining the public accounts. Its terms of reference can be

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expressed narrowly by concentrating on financial probity and regularity or its terms of reference can be expressed more widely by being conceived in performance audit terms, with the PAC being charged with examining the effectiveness of programmes in achieving their objectives.

Other committees exercise oversight functions, but the PAC in most cases is the only one that has a government-wide responsibility. Yet, despite this importance, little has been reported in the research literature about the workings of Australasian PACs. This is a preliminary study, descriptive in nature, the aim of which is to ascertain at a basic level the nature of practices across the ten PACs. This paper does not set out to theorise as to reasons underpinning jurisdictional differences; rather, it merely seeks to highlight some key differences between PACs as a stepping stone to further analysis in future work in this area. Nor does it attempt to analyse in any detail the political environment that underpins, and indeed surrounds, the workings of parliamentary committees in general, although it acknowledges that other dimension. With respect to terminology, it should be noted that not all of the ten jurisdictions have a committee called a PAC; however, in each jurisdiction there is at least one, and sometimes two committees that carry out the functions broadly representative of a PAC. For example, South Australia has two committees, the Economic and Finance Committee (EFC) and the Statutory Authorities Review Committee (SARC), both of which undertake some functions typically associated with a PAC. For the purpose of the following discussion, when the relevant committees in each jurisdiction are referred to collectively, the term PAC is used.

In reporting on the 'state of play' in the ten Australasian jurisdictions, particular attention has been paid to the following areas: establishment and legislative authority of PACs, powers and responsibilities of PACs, membership and leadership of PACs, staffing of PACs, relationships between PACs and other committees, and performance evaluation of PACs. These particular areas of interest have been chosen for further examination in this study because they have been identified in prior work as being critical elements of PAC operations (see for example, McGee, 2002; Stapenhurst et al., 2005).

Method

The data for this study were collected by KPMG in 2005 via a survey that was completed by staff at all ten Australasian PACs. Follow-up interviews were then undertaken in several jurisdictions with PAC Chairs, members, and committee staff.

Establishment and Authority

As a starting point, it is helpful to consider the manner in which the PACs in the relevant jurisdictions were established. The United Kingdom PAC was established by Standing Order in 1861 and parliaments established on the Westminster model almost invariably have PACs. Three of the Australasian PACs, New Zealand, Tasmania and Victoria, were established during colonial times. Today, Australasian

PACs are divided according to whether they are established by Standing Order (four jurisdictions), or by an Act of Parliament (six jurisdictions), as can be seen from Table 1.

As can be seen from Table 1, the three Australian PACs now operating under Standing Order have all been established in relatively recent times, with those established the earliest now having a legislative basis. This is particularly interesting in the case of Victoria and Tasmania, given that, as noted earlier, the PACs of both states were originally established via Standing Order. This change in these states implies at least some perceived benefit in having a PAC with full legislative backing, as opposed to a Standing Order. In the case of New Zealand, the Finance and Expenditure Committee was created in 1985 (Cosgrove 2003). The New Zealand Public Accounts Committee was itself replaced in 1962 by the Public Expenditure Committee. Martin (2004 p. 261) wrote ‘The previous Public Accounts Committee had been an inactive and powerless body, constrained in its work by the limited time available to scrutinise the estimates. Its primary use had been as a launching pad for Opposition attacks in the Committee of Supply. From 1932 it could only consider issues that were referred to it by the Government or the House.’

Powers, Responsibilities and Practices

This section considers differences in responsibilities and practices across jurisdictions. The following dimensions are identified for comparison: powers to investigate/*ex post* and *ex ante* financial scrutiny, the formal relationship between a PAC and the Auditor-General, membership and leadership of the PAC, and the requirement for Government to respond to PAC recommendations. These dimensions have been chosen as they reflect key areas of PAC responsibility. Each of these issues is now discussed in turn.

Powers to Investigate/ex post and ex ante Financial Scrutiny

Ex post scrutiny of the budget is a key role played by PACs. The *ex post* scrutiny role is typical of Westminster-style parliaments (Wehner 2003). KPMG (2006, p.13) reviewed the powers of the PACs in the ten Australasian jurisdictions, and found that all ten PACs surveyed

... have the mandate to review public accounts and Auditor-General reports and the power to investigate any items or matters in connection with those accounts or reports. In addition, all the PACs except that of the Northern Territory have the capacity to initiate their own inquiries, and to a large extent, determine their own work priorities.

The Northern Territory committee can only act on a direct reference from parliament or minister, or on issues in the Auditor's report to parliament.¹

Table 1: Characteristics of Australasian PACs

<i>Jurisdiction</i>	<i>Committee Name</i>	<i>Year of original establishment</i>	<i>Current legislative or other basis</i>	<i>Membership</i>
1. Established by Standing Order:				
Australian Capital Territory	Standing Committee on Public Accounts	1989	Standing Orders 215 and 217	Three members, uni-cameral parliament
Northern Territory	Public Accounts Committee	1986	Standing Order 21A	Five members, uni-cameral parliament
Western Australia (a)	Public Accounts Committee	1971	Standing Orders 284–286	Legislative Assembly standing committee, five members
New Zealand	Finance and Expenditure Committee	1870	Standing Orders 184–189	12 members, uni-cameral parliament.
2. Established by legislation:				
Australia (b)	Joint Committee of Public Accounts and Audit	1913	Public Accounts and Audit Committee Act 1951	Joint committee, ten members from the House of Representatives, six from the Senate
New South Wales	Public Accounts Committee	1902	Public Finance and Audit Act 1983	Legislative Assembly committee, six members
Queensland (c)	Public Accounts Committee	1988	Parliament of Queensland Act 2001	Seven members, uni-cameral parliament
South Australia (d)	Economic and Finance Committee	1972	Parliament Committees Act 1991	Legislative Assembly standing committee, seven members
Tasmania	Public Accounts Committee	1862 (e)	Public Accounts Committee Act 1970	Joint committee, three members from each House
Victoria (f)	Public Accounts and Estimates Committee	1895	Parliamentary Committees Act 2003	Joint committee, five members from the Legislative Assembly, and four from the Legislative Council

Source: Adapted from Jones and Jacobs, 2006b, p.11.

Notes: (a) In Western Australia, a second committee, the Estimates and Financial Operations Committee (EFOC), also undertakes some responsibilities typically associated with a PAC (KPMG 2006).

(b) The committee did not operate between 1931 and 1952.

(c) Since 1994, Estimates Committees have also been established under Sessional Orders of the Queensland Legislative Assembly.

(d) In South Australia, the Economic and Finance Committee (EFC) replaced the PAC, and undertakes some functions associated with a PAC. The EFC is expressly prohibited from inquiring into statutory

¹ Personal correspondence with NT Committee staff, September, 2006.

authorities, with a second committee, the Statutory Authority Review Committee, undertaking this role.

- (e) Prior research has often suggested that the Victorian PAC was Australia's first (see for example, Trumble, 1994; Parliament of Victoria, 2005). However, more recently, it has emerged that a Tasmanian PAC commenced operations in 1862, and continued to operate throughout the nineteenth century (Jones and Jacobs 2006a).
- (f) The committee did not operate between 1931 and 1955.

Furthermore, all PACs are required to undertake inquiries referred by Parliament or a Minister (KPMG 2006). So while all jurisdictions are involved in *ex post* scrutiny,² involvement in *ex ante* scrutiny differs. Interestingly, only five jurisdictions have involvement in examining budget estimates (*ex ante* scrutiny). It is worth pointing out, however, that apart from the case of Victoria, some caveats apply with respect to this distinction. In the Australian Capital Territory, the PAC plays a role in reviewing some Bills for estimates, but budget estimates do not form part of the PAC's chief responsibility. In the Northern Territory, it is a separate committee, the Estimates Committee, that is responsible for *ex ante* scrutiny, but the membership of this Committee includes the PAC. In the case of Western Australia, it is the Estimates and Financial Operations Committee that reviews budget estimates. In New Zealand, while the FEC has primary responsibility for estimates, it reserves the right to allocate this role to other select committees if particular technical expertise held by a particular select committee is required, and this allocation process would be normal practice (KPMG 2006).

Relationship with the Auditor-General

The relationship between a PAC and the Auditor-General is a critical part of public sector accountability (McGee 2002; Stapenhurst et al. 2005; Jones and Jacobs 2006a). Part of a PAC's role is to bolster the effectiveness of the Auditor-General (McGee 2002). However, relationships between PAC's and their Auditor-General vary significantly by jurisdiction. Table 2 summarises some of the key elements of a PAC's relationship with the Auditor-General, enabling a comparison between jurisdictions.

Table 2 is very interesting in so far as it indicates that relationships between PACs and their Auditor-General vary significantly by jurisdiction. For example, while almost all PACs have formal responsibility for the review of Auditor-General reports, fewer have the ability to refer matters to the Auditor-General for investigation, which must serve to limit the effectiveness of the PACs in these

² Despite this power, by convention, PACs tend to steer away from *explicit* examination of government policy. In the case of New South Wales, the PAC are prohibited under the Public Finance and Audit Act from investigating or reporting on a matter of Government policy unless the matter has been expressly referred to the PAC by the State's Legislative Assembly, or by a Minister. Obviously, in practice, it is difficult for PACs to avoid at least implicitly examining government policy (KPMG 2006).

jurisdictions. Australasian PACs in general have little say in appointment or removal of an Auditor-General. Furthermore, the Australian PACs established by Standing Order appear to have less power in their relationship with the Auditor-General than in jurisdictions established by legislation. In particular, the PACs of the Northern Territory and Western Australia have limited powers in this regard. As can be seen from Table 2, these PACs have no powers in relation to the appointment of an Auditor-General.

Table 2: Relationship with the Auditor-General by jurisdiction

	ACT	NSW	NT	QLD	SA	TAS	VIC	WA	AUS	NZ
Auditor-General inquiries and reporting:										
The Committee has formal responsibility for the examination of Auditor-General reports (a)	Yes	Yes	Yes	Yes	(b)	Yes	Yes	Yes	Yes	(c)
The Committee has the formal power to refer matters to the Auditor-General for consideration		Yes		Yes	(b)		Yes		Yes	(c)
Appointment and removal of Auditor-General:										
The Committee must be formally consulted in the appointment of the Auditor-General				Yes						(d)
The Committee has the power to veto the appointment of the Auditor-General	Yes	Yes							Yes	
The Committee undertakes the selection process and recommends appointment of the Auditor-General							Yes			
The Committee must be formally consulted in the removal of the Auditor-General		Yes					Yes			(d)
The Committee must approve the removal of the Auditor-General				Yes						
Independent review of Audit Office:										
The Committee is responsible, or must be formally consulted, in the appointment and removal of the independent auditor of the Audit Office		Yes					Yes		Yes	
The Committee is formally involved in the strategic review of Audit Office performance	Yes	Yes (every 3 years)	Yes (every 3 years)	Yes (every 5 years)			Yes (every 3 years)		Yes	

Source: KPMG 2006, p.17)*

Notes: * This table reflects practices as set out in either the relevant legislation or Standing Orders. Actual practice may differ depending on convention in the relevant jurisdiction.

- (a) Usually, the PAC is the only committee with the mandate to examine Auditor-General's reports; however, this is not always the case — in some jurisdictions, other committees can examine Auditor-General reports if the subject of the report is in the Committee's portfolio area.
- (b) While the South Australian Economic and Finance Committee has a working relationship with the State's Auditor-General, the Committee's terms of reference does not require the review of Auditor-General reports.
- (c) The FEC rarely examines Auditor-General's reports, despite it being within its mandate to do so.
- (d) The appointment and removal of the New Zealand Auditor-General is the responsibility of a separate committee (KPMG 2006).

In general, Australasian PACs have more power with respect to evaluation of the Audit Office than with respect to appointment or removal of an Auditor-General, with the majority of jurisdictions (six out of ten) having a formal involvement in the strategic review of Audit Office performance.

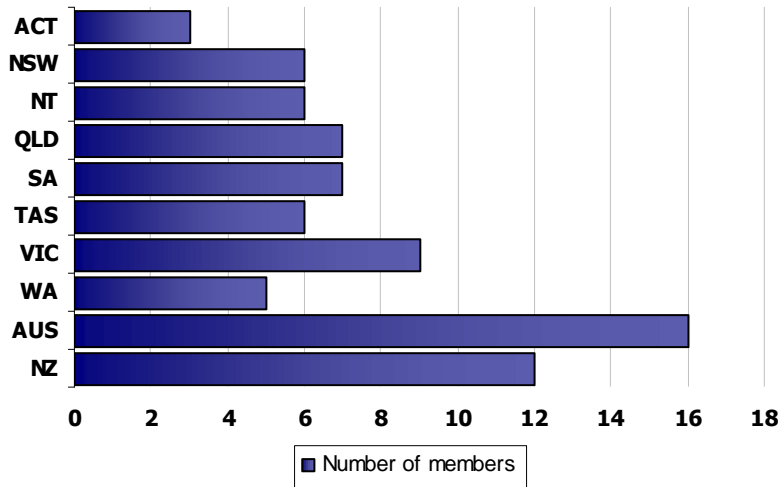
Further, although not included in Table 2, it is interesting to note that in three jurisdictions (Victoria, Australia (Federal), and New Zealand), there is a formal requirement for the PAC to be consulted in the determination of Audit Office priorities and planning. Yet, despite this, there is no requirement for the Auditor-General to adopt the recommendations put forward by the PAC as part of this process. In two of these jurisdictions it could be argued that political and administrative change in the 1990s has strengthened the role of the Auditor-General. In Victoria the reform of the Auditor-General's office by the Kennett Liberal government were met with opposition and resistance from the Auditor-General himself and a broad range of community groups and individuals (Yule 2002). When the government was defeated in 1999 one of the first acts of the new government was to reverse many of the changes. The *Audit (Amendment) Act 1999* gave Victoria's Public Accounts and Estimates Committee the right to comment on the Auditor-General's annual budget and work plan, as well as providing that the Auditor-General was to be appointed by the Governor in Council on the recommendation of the committee. The powers of the Auditor-General were included in the State Constitution leaving the office in a stronger position than previously, and with arguably one of the strongest mandates in the world. In the Australia (Federal) jurisdiction, the Joint Committee of Public Accounts and Audit was acquired its powers and responsibilities in this area as a result of what English and Guthrie (2000, p. 98), have described as 'a political struggle in the Australian federal sphere over the parliament's right, exercised through the Office of the Auditor-General (AG) to oversee the accounts and management practices of the executive arm of government'.

Membership and Leadership

Size

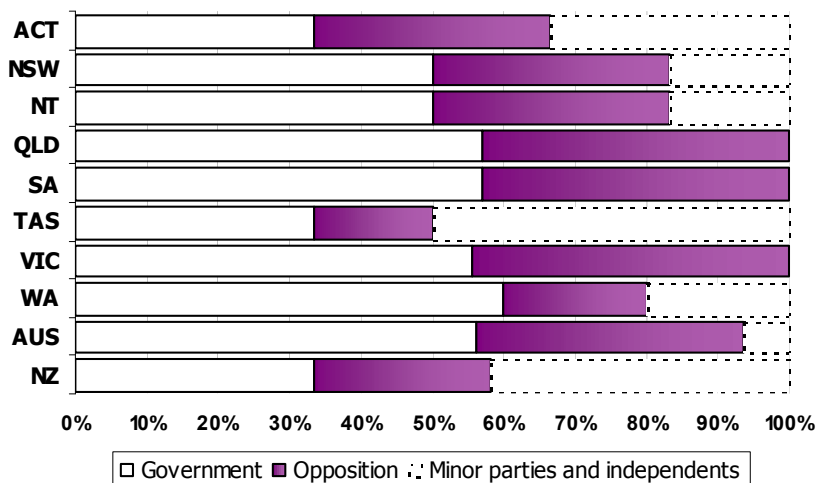
The number of members of each PAC is shown for each jurisdiction in Figure 1. The average membership of a PAC in the ten jurisdictions examined is 7.7 members, and the most common number of members in a PAC is 6.

KPMG (2006) notes that in evaluating committee size, it is important to consider the range of each PAC's responsibilities when comparing between jurisdictions, making reference to the example of Victoria, whose larger than average committee reflects the fact that the Victorian PAEC has extra responsibilities in the form of an estimates function. In most cases, the size of a PAC's membership is proportional to the size of its jurisdiction. The New South Wales PAC is an exception to this, having a relatively small PAC (six members) compared to the size of the jurisdiction (KPMG 2006).

Figure 1: Size of PACs by jurisdiction

Source: KPMG 2006, p. 21

For most PACs, in Australia and elsewhere, party representation on the committee is proportional to party representation in the parliament (McGee 2002, p. 61). This occurs for reasons of principle and procedure, such as the desirability of association members from all sides with the work of the PAC, but it should also be recognised that there can be tensions between party membership and committee membership.

Figure 2: Party Representation

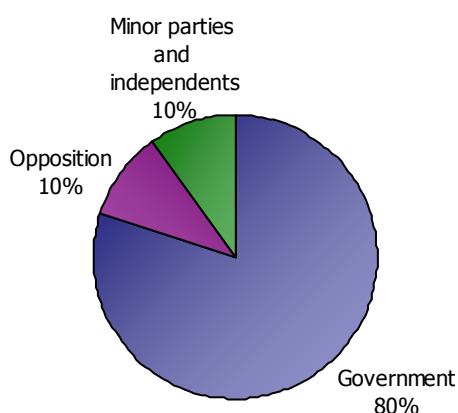
Source: KPMG 2006, p. 22

As can be seen from Figure 2, in seven out of ten Australasian jurisdictions, Government members comprise at least half of the membership of a PAC. Typically, Standing Orders or legislation do not prescribe the number of members that should be drawn from Government or Opposition. Exceptions to this are Queensland, where the composition of the Committee is covered in the enabling legislation, and New Zealand, whose Standing Orders provide that PAC membership must be proportional to House membership (KPMG 2006).

PAC Chair

In the UK, and indeed in most Commonwealth countries, PACs are chaired by non-Government members, a feature that has the advantage of promoting the independence of the PAC (KPMG 2006). However, in Australia, the position is reversed, with seven out of the nine Australian jurisdictions having a Chair from the Government, the exceptions being Tasmania and the Australian Capital Territory. Similarly, the New Zealand PAC also has a Government chair (KPMG 2006). This is shown graphically in Figure 3.

Figure 3: Chairs of PACs 7



Source: KPMG 2006, p. 2

Typically, the political affiliation of the Chair of the PAC is determined by convention. However, the Standing Orders to establish the Northern Territory PAC require that a Government member be appointed Chair. It could be argued that having a Government member as chair compromises the independence of the PAC somewhat, and may serve to limit the scope of PAC inquiries. Of course, there is also the counter-argument that a Government chair has greater access to Government ministers to ensure that PAC recommendations are adopted (KPMG 2006). Examples of and possible exceptions to both arguments have been played out

in recent years. In the 1990s, when the Auditor-General reforms discussed earlier were being implemented in Victoria, it could be argued that access to government ministers was of little significance when the government in question was committed to increasing the power of the executive even as it decreased the power of parliament (Eckersley and Zifcak 2001).

A more general reflection on the possible conflict between politics and policies can be found in a public lecture delivered in 2000 by Tony Harris, a former Auditor-General of New South Wales, where he discussed the constraints on the PAC in the context of the government's privatisation policies (Harris 2001).

Follow-Up: Government Response to PAC Recommendations

In eight of the ten Australasian jurisdictions, there is a formal requirement for the Government to respond to PAC recommendations, and the time frame for response varies between three and six months in these jurisdictions (KPMG 2006). This requirement is important in enabling the PAC to achieve its aim of ensuring accountability, and also to preserve the legitimacy of the PAC. The jurisdictions of Tasmania and the Northern Territory are those PACs which have no formal requirement for the Government to respond to PAC recommendations. The limited scope of powers of the Northern Territory's PAC have already been noted with respect to the PAC's relationship with the Auditor-General. Table 4 summarizes the time frames for the respective Governments to respond to PAC recommendations in each jurisdiction.

Table 3: Government requirement to respond to PAC recommendations

<i>Jurisdiction</i>	<i>Formal requirement to respond to PAC recommendations</i>	<i>Time frame</i>	<i>Authority</i>
Australian Capital Territory	Yes	3 months	Government policy
Northern Territory	No	-	-
Western Australia	Yes	3 months	Standing order
New South Wales	Yes	6 months	Government policy
Queensland	Yes	3 months (a)	Statutory
South Australia	Yes	4 months	Statutory
Tasmania	No	-	-
Victoria	Yes	6 months	Statutory
Australia	Yes	3 months	Government policy
New Zealand	Yes	3 months	Standing order

Source: KPMG 2006, p. 42

Note: (a) In the event of a Minister being unable to respond within this timeframe, an interim response setting out the reason for non-compliance must be tabled, and a full response is required within six months.

*Resources***Table 4: Staffing**

	2004/05 Full Time Equivalent Staff		Auditor-General Secondees	Other	Total
	Dedicated PAC staff	Staff shared with other committees			
Australian Capital Territory	1.0	0.2			1.2
New South Wales	3.8		0.75		4.55
Northern Territory		2.0			2.0
Queensland	2.0	0.5			2.5
South Australia	2.0				2.0
Tasmania	1.0		0.25	0.25	1.5
Victoria	5.8		0.83		6.63
Western Australia	2.0				2.0
Australia	3.0	2.0		0.25	5.25
New Zealand	3.0				3.0
<i>Average FTE</i>	2.4	0.5	0.2	0.1	3.1

Source: KPMG

Table 4 indicates the number of full-time equivalent (FTE) staff comprising each PAC for the 2004/5 year. Again, the relative level of staffing provided to a PAC is roughly proportional to the size of the jurisdiction, with an overall range of 1.2 FTE staff in the Australian Capital Territory to 6.63 in Victoria. Given the size of a PAC's mandate, and the general importance of PACs in ensuring public sector accountability, the average number of FTE staff per jurisdiction is quite staggering compared to the amount of work these committees are required to undertake, and especially so when compared to the amount of staff resources provided in private sector audit committees. Obviously, an increase in the level of staff resources afforded to Australasian PACs is, in our view, desirable. The obvious limitation created by such a fundamental lack of resources is the ability of the PAC to initiate inquiries, which is dealt with in the next section.

As can be seen from Table 5, the types of reports generated by Australasian PACs vary widely by jurisdiction, with the New Zealand Finance and Expenditure Committee producing by far the largest number of reports. In some circumstances, the wide disparity in the number of reports produced is due to the difference in responsibilities between jurisdictions. For example, of course, the New Zealand and Victorian numbers of reports are inflated by the fact that these jurisdictions have an estimates function. However, while the Victorian PAEC combines estimates reviews of all departments into a single report, the New Zealand FEC tables a

separate estimates report for each department. New Zealand is also unusual in the sense that although it has the ability to examine Auditor-General's reports, it rarely does so. It is also rare for the New Zealand FEC to refer a matter to the New Zealand Auditor-General for investigation (KPMG 2006). The high number of financial reviews for New Zealand is explained by the requirement for the FEC to conduct, or allocate to another select committee, a financial review of '... each individual Department, Office of Parliament, Crown entity, public organisation, and State enterprise' (KPMG 2006, p.16).

Types of Reports

Table 5: Types of reports produced by PACs — 1 July 2001 to 30 June 2005

	QLD	WA	NSW	TAS	NT	VIC	ACT	SA	AUS	NZ	Total
Annual reports	4	3	4	0	4	3	0	4	4	0	26
Review or follow-up inquiry of Auditor-General reports	5	0	10	0	1	4	10	1	13	0	44
Audit-office review	1	1	1	0	0	3	0	0	0	2	8
Inquiries – self-initiated	2	6	2	3	0	4	4	8	4	0	33
Inquiries – referred	0	0	2	2	2	1	0	0	0	0	7
Estimates	0	0	0	0	0	4	0	0	0	33	37
Financial reviews	0	0	0	0	0	3	2	0	0	27	32
Bills or statutory determinations referred to the Committee	0	0	1	0	0	0	4	5	1	19	30
Other matters (eg, discussion papers, study tours, ASPAC)	2	1	4	0	0	1	1	0	0	14	23
Petitions	0	0	0	3	0	0	0	0	0	8	11
Total	14	11	24	8	7	23	21	18	22	103	251

Source: KPMG

As noted previously in the paper, the relationship between a PAC and the Auditor-General is a critical part of public sector accountability (McGee 2002; Staphenurst et al., 2005; Jones and Jacobs, 2006a). Part of a PAC's role is to bolster the effectiveness of the Auditor-General (McGee 2002). McGee (2002, p.31) noted that 'historically PACs were created to ensure parliamentary follow-up on Auditor-General's reports, and because the jurisdiction of PACs has more in common with Auditor-General's remits than does that of other committees.' However, an examination of Table 5 indicates that this varies significantly by jurisdiction. Given that a 'good' relationship with the Auditor-General is a cornerstone of public sector accountability, it might be reasonable to expect that this source of inquiry be the most common for each PAC. Instead, it is possible to group PACs into two

categories according to this activity: those with an average of at least one review or follow-up of Auditor-General reports per year investigated (denoted as ‘high’ for the purposes of this discussion), and those with an average of less than one per year, giving the following classification:

High: Queensland, New South Wales, Victoria, ACT, Australia

Low: Western Australia, Northern Territory, South Australia, Tasmania, New Zealand.

It is tempting perhaps to categorise those in the ‘high’ category as good performers relative to those in the low category, although this is overly simplistic. As noted above, although the examination of Auditor-General’s reports is within the New Zealand FEC’s mandate, it is rare for it to examine Auditor-General’s reports, and also rare for it to refer work back to the Auditor-General. There is a need to ‘delve deeper’ into analysing the sources of PAC inquiry, and this analysis is currently the subject of further research (Jacobs and Jones 2006).

Relationships with Other Committees

The relationship between PACs in each jurisdiction and other committees in that same jurisdiction, and between PACs in separate jurisdictions is summarised in Table 6.

Table 6: Relationships with other committees (Source: KPMG)

	<i>Are other parliamentary committees involved in scrutinising audit reports?</i>	<i>Do PAC members sit as PAC members on other committees?</i>	<i>Does the PAC have protocols in place for communicating with other PACs where identified concerns / developments have cross-jurisdictional relevance?</i>
QLD	No	No	No
WA	Yes	No	No
NSW	No	No	No
TAS	Yes	No	No protocols. Informal communication through ACPAC.
NT	No	No	Only by way of formal communication between the Chairs.
VIC	No	Rarely	No
ACT	No	No	No protocols. Informal exchanges with similar jurisdictions.
SA	No	No	No
AUS	Yes	No	No formal protocols (other than ACPAC conferences), but the Committee consults its State counterparts on certain issues.
NZ	Yes	No	No

Table 6 suggests that the level of communication between Australasian PACs and other bodies in their jurisdiction, and even between PACs across jurisdictions is quite low. In almost all cases, PAC members do not sit on other parliamentary committees in their role as PAC members, the exception being Victoria (another exception, arguably, is New South Wales, whereby PAC members do sit on other committees, but not in their formal role as PAC members). What is perhaps most surprising is the lack of consultation between PACs in different jurisdictions. Formal consultation between jurisdictions on matters of cross-jurisdictional relevance appears very low, with consultation between PACs appearing to be largely restricted to biennial Australasian Council of Public Accounts Committees (ACPAC) conferences.

Performance Reporting

Stapenhurst et al. (2005), in a review of Commonwealth PACs, found that very few PACs publish reports relating to their own performance, and argued that this was surprising, given that performance reporting is a critical feature of effective oversight. Stapenhurst et al. (2005, p. 23) also argue that ‘in part, the reluctance to assess performance is a result of the difficulty of the questions that must be addressed, such as who should agree to the measures, who should see the results, and how they will be used.’ KPMG’s analysis of which Australasian jurisdictions have a formal performance measurement mechanism is interesting when considered in this light. Each PAC was asked to respond to the following question: ‘Does the committee adopt a formal mechanism for measuring its performance?’ Only three out of the ten PACs surveyed answered in the affirmative.

Stapenhurst et al. (2005, p.23) argue that ‘in part, the reluctance [of Commonwealth PACs] to assess performance is a result of the difficulty of the questions that must be addressed, such as who should agree to the measures, who should see the results, and how they will be used.’

The performance evaluation regime of the Victorian Public Accounts and Estimates Committee (PAEC) is particularly noteworthy in this regard, being recognised as a world leader in PAC performance reporting (Stapenhurst et al. 2005), and publishing both actual performance data and performance targets. Measures used include number of submissions received, number of reports completed on time, and percentage of recommendations accepted (KPMG 2006).

Conclusion

This paper has reported on a 2005 survey of practices in Australasian Public Accounts Committees (PACs), and in doing so, has sought to provide a basic description of key practices and responsibilities across the ten Australasian jurisdictions (eight Australian states and territories, and the two Federal jurisdictions).

Table 7: Performance Reporting (Source: KPMG)

<i>Jurisdiction</i>	<i>Formal performance measurement mechanism</i>	<i>If yes, how are the performance results reported?</i>
Australian Capital Territory	No	-
Northern Territory	No	-
Western Australia	No	-
New South Wales	Yes	Performance reported and evaluated in the PAC's Annual Review
Queensland	Yes	Performance results included in the Parliamentary Service Annual Report
South Australia	No	
Tasmania	No	
Victoria	Yes	Yearly – in annual report to Parliament
Australia	No (a)	
New Zealand	No	

Source: KPMG

Note: * No formal performance measurement mechanisms, but the Committee actively monitors the speed and supportiveness of government responsiveness of Committee reports.

This paper has identified the basic ‘state of play’ in the ten Australasian PACs. This was done by examining the origins and practices of PACs across the following areas: establishment and authority of PACs, powers and responsibilities of PACs, membership and leadership, staffing, relationships with other committees, and the evaluation of PAC performance. Perhaps not surprisingly, rather than there existing a ‘template’ by which Australasian PACs operate, the PACs differ substantially with respect to their basis of establishment, roles and responsibilities, size, staffing, the types of reports each jurisdiction most commonly produces, and performance evaluation practices. This appears to represent a rich vein for future research. Questions to be addressed might include: whether PACs, individually and collectively, have been effective and why; how have different PACs reacted to their political, social and economic environments; and what would a template look like if we were to start with a clean slate. ▲

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SECTION III:

Telling the Full Story?

Parliament, Government Information, The Media and Committee Inquiries