An Analysis of the Sources of Public Accounts Committee Inquiries: The Australian Experience

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Abstract
Public accounts committees (PACs) are found in almost all Westminster-type parliaments. Their role is to scrutinise public expenditure on behalf of parliament, and they usually work closely with the Auditor-General. Like other parliamentary committees, PACs investigate issues and then produce reports, but unlike other parliamentary committees, their inquiries can originate from a range of diverse sources. Most Australian PACs have the ability to initiate their own inquiries. This paper analyses the sources of inquiries of Australian PACs over a four-year period between July 2001 and June 2005, and develops a typology of committees based on this research.

This article examines the question of where inquiries undertaken by Australian parliamentary public accounts committees (PACs) originate. PACs play a key role in enforcing public sector accountability as they form ‘…part of the parliamentary infrastructure that helps ensure that governments account for their operating policies and actions, and their management and use of public resources’ (McGee 2002:3). Accountability is fundamental to the proper functioning of a democratic system of government (Funnell and Cooper 1998; Watson 2004).

PACs fall into the category of oversight committees (Aldons 1985; Griffiths 2006). They are concerned with both compliance and efficiency. Their role in the process of parliamentary oversight of the public accounts has traditionally been to examine government spending retrospectively, or ex post as Wehner (2003) has described the process. When PACs first appeared as part of the parliamentary structure in the nineteenth century they were concerned purely with the public finances; they...
examined government expenditure, typically working closely with the Auditor-General, to ensure that money appropriate by parliament had been spent correctly and honestly. More recently, many PACs have also undertaken performance auditing work (Guthrie and Parker 1999) and some have acquired the power to examine budget estimates.

The place of parliament in accountability systems has been the subject of some controversy and debate. The most traditional form of accountability has been expressed as ministerial responsibility, a direct straight line of ministers accounting to parliament for their actions. This has been increasingly under political challenge as governments re-define and (to a large extent weaken) ministerial responsibility (Walter 2006). It is also under challenge from what Mulgan (1997) has described as a pluralistic model of accountability where accountability requirements run in many directions and from the rise of the new public management in the late twentieth century. However, despite both the importance of PACs to public sector accountability and the changing political and administrative environment in which they operate, there has been little academic research into the operation of PACs, either in Australia, or in other Westminster-type jurisdictions. What does exist has been largely of a descriptive nature prepared by practitioners and politicians involved in the PAC process (McGee 2002; Watson 2004) or surveys of the field (KPMG 2006; Stapenhurst et al. 2005).

One of the few academic studies was by Degeling, Anderson and Guthrie (1996) who conducted a content analysis of reports of the Australian parliament’s Joint Committee of Public Accounts (JCPA) between 1914 and 1932 to examine the processes involved in constituting both the standing and focus of a PAC. They found that its activities and outcomes could not be understood simply in terms of the intentions of its progenitors, concluding ‘future studies of the linkages between accountability, accounting practice and public accounts committees should be grounded in an analysis of the social and political processes in which issues pertaining to each of these has been apprehended and defined’ (Degeling et al. 1996: 47). Jacobs and Jones (2009) extended the analysis of the JCPA into a study of the demise in the early 1930s of both the JCPA and the Victorian Committee of Public Accounts. They concluded that both committees drifted considerably from their intended role of financial oversight, but that they nonetheless performed a legitimising function.

Two other studies focused on the effects of external factors on PACs. Wehner (2003) argued that, despite the importance of PACs in the structure of parliamentary scrutiny, their usefulness and status are also dependent on external factors such as resourcing levels and the political environment. The work of Newberry and Pallot (2005) suggested a negative relationship between PACs, accounting practice, and issues of parliamentary accountability. Newberry and Pallot (2005) argued that the introduction of the Public Finance (State Sector Management) Bill in New Zealand undermined parliamentary oversight and control of spending in New Zealand. This raises important issues about the nature and ongoing independence of parliamentary
Autumn 2010  Sources of Public Accounts Committee Inquiries 19

finances and the work of the PAC. A later study based on a World Bank Institute survey of 51 PACs by Pelizzo, Stapenhurst, Sahgal and Woodley (2006) concluded that the success of PACs depended on several factors, including ‘having a broad mandate and the freedom to choose what to investigate’ (Pelizzo et al. 2006: 789). Pelizzo et al reported that more than 90% of chairs of PACs regarded the power to choose topics for investigation without government interference as important or very important in achieving success.

This study aims to build on the work of Degeling et al. (1996) and Pelizzo et al. (2006) by determining the focus of PACs in Australian jurisdictions through an examination of the primary sources of inquiry for Australian PACs. Kingdon (1984, 2003) notes that who or what sets the agenda for policy issues can have critical implications for the subsequent policy debaters and outcomes. Therefore the origin of PAC inquiries provides an important insight into the role and power of the PAC as a tool of governance and accountability. There are also other reasons why this focus on sources of inquiry is timely and necessary. Although there has been a resurgence in PAC activity in Australia since the late 1970s, the scope of these activities has been limited, partly due to resource constraints (Degeling et al. 1996). Degeling et al. (1996) argued that between 1985 and 1996, the scope of PACs was often restricted to technical accounting matters. However, Mulgan (2001) and Guthrie and Parker (1999) have both noted the development of performance auditing in recent years, and its potential to lead to conflict with political imperatives. For example, in Victoria in 2006, there was controversy over the decision of the chair of the Public Accounts and Estimates Committee, a former government minister, to delete 30 pages from the committee’s report on Public Private Partnerships (Davidson 2006; Tomazin 2006).

Public Accounts Committees and Accountability

The relationship between a PAC and the Auditor-General is a critical part of public sector accountability (Coghill 2004; Jones and Jacobs 2006; McGee 2002; Stapenhurst et al. 2005). Part of a PAC’s role is to bolster the effectiveness of the Auditor-General (McGee 2002) and the majority of PAC work is related to dealing with the Auditor-General’s reports (Wehner 2003). McGee (2002:31) 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’. In most Westminster jurisdictions the Auditor-General and a PAC operate in conjunction with one another and both are critical to accountability and parliamentary financial oversight (Jacobs and Jones 2006). Coghill (2004) noted that while cooperative relationships between an Auditor-General and a PAC are essential, the relationship must not be ‘cosy’, that is, effective governance occurs when an Auditor-General listens to the views of the PAC, but does not become captive to those views. A key point here is the need for Auditors-General to be able to trust PACs to adopt and maintain non-partisan behaviour in their dealings (Coghill 2004).
Accountability — Who Sets the Political Agenda?

A key issue for investigation is the question of how the agenda for public sector accountability and oversight is set and managed. It is important to understand how the various institutional actors act in the process of ensuring effective public sector governance and accountability, the roles that each actor plays, and their effect on outcomes (Kingdon 2003; Ryan 1998). Kingdon (2003) notes that there are two factors which enable agendas to be set: the actors themselves, and the processes involved in agenda setting. Drawing on Kingdon’s (1984) work, Ryan (1998:520) distinguishes between the political agenda, defined as comprising ‘... the broad issues that are within the jurisdiction of government authorities and on which they may take action’ and the policy agenda, which relates to the issues requiring policy formulation. In the Australian financial reporting domain, Ryan (1998) notes that the main actors are PACs, Auditors-General, and the organised accounting profession, all of whom seek to influence the Australian political agenda. On the other hand, policy specialists such as the Public Sector Accounting Standards Board and the Treasuries and Departments of Finance are the main actors who influence the policy agenda (Ryan 1998).

Our area of interest in this study is the political agenda. This is because PACs typically do not explicitly address matters of policy, although obviously their activities potentially affect government policies. The question raised in this paper then, as noted above, is of the main actors that influence the political agenda ‘who sets the agenda with respect to public sector accountability in Australia?’ Within the scope and mandate of the PAC there is a possibility that the agenda might be set by a number of different sources.

As well as their responsibility for following up Auditor-General’s reports and matters referred to them by parliament, PACs are unusual among parliamentary committees in that they have the ability to initiate their own enquiries (KPMG 2006). Yet Jacobs et al. (2007) note that relationships between PACs and their Auditor-General vary by jurisdiction. For example, while all PACs have the power to review the Auditor-General reports (although not all are required to or normally do so), only half have the ability to refer matters to the Auditor-General for investigation. A number of PACs have at least some say in the appointment of an Auditor-General.

In addition there are underlying questions about the independence of the PACs in Australia. Jacobs et al. (2007) noted that the 80% of the Australian and New Zealand PACs have government chairs (ACT opposition, Tasmania independent) and 70% have a government majority (with New Zealand, Tasmania and ACT being the exception). Most jurisdictions with a government chair will have a corresponding opposition deputy; however NSW has a government chair, a government deputy chair and a majority of government members. McGee (2002) notes that in over two thirds of the Commonwealth countries the PACs are chaired
by non-government members. On one hand McGee (2002) notes that having a
government member as chair could indicate a lack of independence on the part of
the PAC from the executive and therefore a lack of effective accountability and
oversight. However, McGee (2002: 66) also observes that in the Australian context
that a chair from the government can advocate that the PAC’s recommendations be
implemented by the government. Clearly this question of both the independence
and the implementation is empirical and can only be addressed by studying the
actual activities of the PACs. It might also be useful to study the careers of PAC
chairs, as it is often suggested that being the chair of a PAC is a stepping stone into
the ministry. Current and recent examples of this possibility are found in the cases
of the NSW ALP member for Heathcote and Minister for Ports and Waterways and
Minister for the Illawarra, Paul Mclean, who was the chair of the Public Accounts
Committee in 2007–09, and Tony Smith, the Liberal member for Casey in the
Commonwealth parliament, who was the chair of the Joint Standing Committee on
Public Accounts and Audit before becoming Parliamentary Secretary to the Prime
Minister in 2007.

Therefore the nature and content of the PAC enquiries and activities provide
important insights into the political and institutional influences on the activities of
the PACs and illustrates who is driving the agenda. Thus the research question is:

What is the balance between parliamentary initiated, self initiated enquiries and
follow-up of Auditor General reports in the recent work of the Australian
parliamentary PACs and does that reflect an independence or a lack of
independence on the part of PACs?

Any form of enquiry has the potential to reflect the influence of or independence
from Parliament. Perhaps responding to and following-up the work of the Auditors-
General is most obviously independent given the Auditor-General’s independent
status. A close relationship between parliament and the Auditor-General is a critical
part of public sector accountability, and has been noted as one of the guiding
principles of the International Organization of Supreme Audit Institutions
(INTOSAI), the international organization of Auditors-General (Fiedler 2004). In
addition, Coghill (2004) has noted the reforms to the office and powers of Auditors-
General that have taken place in recent years through the exchange of ideas and
information that has arisen from joint meetings of the Australasian Council of
Auditors-General and the Australasian Council of Public Accounts Committees.

**Method**

In 2005 La Trobe University’s Public Sector Governance and Accountability Centre
commissioned KPMG to survey the structures and practices of Australian and New
Zealand PACs. The data collected in the survey span the period from 1 July 2001 to
30 June 2005. This time frame was selected to represent a five-year band providing
a reasonable reflection of contemporary experience and practice. The reports
prepared by the PACs of the nine Australian jurisdictions were collated and
categorised by KPMG in the categories shown in Table 1. A content analysis of self-initiated inquiries in three Australian jurisdictions was also undertaken by the authors (see Results and Discussion for further explanation of this point), and finally, the responses of governments to these reports were analysed.

**Results and Discussion**

As noted above, data on the 148 reports prepared by PACs in the nine Australian jurisdictions appear below in Table 1. These data are used to evaluate the research proposition formulated in this paper.

| Table 1: Sources of PAC Reports: Australian PACs July 2001 to June 2005 |
|----------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|                      | QLD   | WA    | NSW   | TAS   | NT    | VIC   | ACT   | SA    | AUS   | Total |
| Annual reports       | 4     | 3     | 4     | 0     | 4     | 3     | 0     | 4     | 4     | 26    |
| Review or follow-up inquiry of Auditor-General reports | 5     | 0     | 10    | 0     | 1     | 4     | 10    | 1     | 13    | 44    |
| Audit-office review  | 1     | 1     | 1     | 0     | 0     | 3     | 0     | 0     | 0     | 6     |
| Inquiries — self-initiated | 2     | 6     | 2     | 3     | 0     | 4     | 4     | 8     | 4     | 33    |
| Inquiries — referred | 0     | 0     | 2     | 2     | 2     | 1     | 0     | 0     | 0     | 7     |
| Estimates            | 0     | 0     | 0     | 0     | 4     | 0     | 0     | 0     | 4     | 4     |
| Financial reviews    | 0     | 0     | 0     | 0     | 3     | 2     | 0     | 0     | 0     | 5     |
| Bills or statutory determinations referred to the Committee | 0     | 0     | 1     | 0     | 0     | 0     | 4     | 5     | 1     | 11    |
| Other matters (eg, discussion papers, study tours, ASPAC) | 2     | 1     | 4     | 0     | 0     | 1     | 1     | 0     | 0     | 9     |
| Petitions            | 0     | 0     | 0     | 3     | 0     | 0     | 0     | 0     | 0     | 3     |
| **Total**            | 14    | 11    | 24    | 8     | 7     | 23    | 21    | 18    | 22    | 148   |

*Source: KPMG 2006.*

As can be seen from Table 1, the nine Australian PACs published 148 reports over the four-year period from 1 July 2001 to 30 June 2005. Table 1 indicates that the two main sources of inquiry were the review or follow-up of Auditor-General’s reports (44) and self-initiated inquiries (33). The next most frequent were annual reports (26) and another 9 fell into the category of ‘other’ which consisted of such things as reports of study tours and conferences. The annual reports and reports of study tours and conferences can be categorised as dealing with administrative matters rather than inquiries. If they are excluded from consideration, there were 127 reports over the period. We can also exclude the 6 reports related to reviews of the Audit Office, which leaves 121 reports.
What is the balance between parliamentary initiated, self initiated enquiries and follow-up of Auditor-General reports? The answer is that of 121 inquiry reports, seven (6%) resulted from a parliamentary or ministerial referral, 33 (27%) were self-initiated and 44 (36%) resulted from Auditor-General reports. This suggests that the follow-up of Auditor-General reports is the most important source of PAC inquiries.

However an examination of Table 1 indicates that this finding varies significantly by jurisdiction. Given that a ‘good’ relationship with the Auditor-General is a cornerstone of public sector accountability (McGee 2002), it might be reasonable to expect that this source of inquiry will be the most common for each PAC. Instead it is possible to group PACs into two categories according to this activity: those with 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 less than one per year, giving the following classification:

**High:** Queensland, New South Wales, Victoria, Australian Capital Territory, Australia  
**Low:** Western Australia, Northern Territory, South Australia, Tasmania.

These findings suggest that in some Australian jurisdictions, the PACs set their own agenda, rather than following that established by the Auditor-General. Looking at this in isolation, it is tempting to characterise those PACs in the ‘high’ category as more effective in ensuring public sector accountability than those in the ‘low’ category. On closer examination such a classification is misleading. Firstly, it is inappropriate to include the Northern Territory in such a classification scheme as the Northern Territory PAC can only act on a direct reference from parliament or a minister, or can take issues from the Auditor-General's reports to parliament.² So, if we exclude the Northern Territory’s PAC on this basis, and re-examine the data in Table 1, an interesting pattern emerges, that is, that those jurisdictions ranked in the ‘low’ category for reviewing/following up Auditor-General reports have the highest amount of self-initiated reports.

<table>
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<th>Table 2: Review or follow-up of Auditor-General Reports plus self-initiated inquiries by jurisdiction</th>
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<tr>
<td>Review or follow-up inquiry of Auditor-General reports</td>
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<tr>
<td>Inquiries – self-initiated</td>
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<td>Total</td>
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²This point was confirmed through personal correspondence with staff of the Northern Territory PAC.
Following on from this analysis, and using the arbitrary benchmark of 50% of the total reports in Table 1 as an indicator, we can classify jurisdictions as either more predisposed to following up Auditor-General reports or generating self-initiated inquiries. Using this benchmark, we end up with three categories of PACs, as shown below:

**More follow-up** on Auditor-General reports: Queensland, New South Wales, Australian Capital Territory, Australia (Federal)

**More self-initiated**: Western Australia, Tasmania, South Australia.

**Balanced** (50% of each): Victoria

Do those jurisdictions rated ‘low’ in terms of following up of Auditor-General reports ‘make up for this’, or exercise effective accountability instead through an increased use of self-initiated inquiries? This is a difficult question to answer. A key issue is whether the additional self-initiated inquiries generated in these jurisdictions are as effective a means of ensuring accountability as the review or follow-up of Auditor-General reports and recommendations.

Obviously, this is difficult to gauge accurately. However, one factor that may serve as an indicator of the relative effectiveness of self-initiated inquiries vis-à-vis the reviewing of Auditor-General reports is the level of scrutiny involved in the self-initiated inquiries. If the self-initiated inquiries in jurisdictions which have little or no follow-up of Auditor-General reports merely ‘rubber-stamp’ Government operations, it would be hard to argue that such jurisdictions perform their oversight role effectively with sufficient independence. However, if the self-initiated inquiries in particular jurisdictions are more critical of Government, it can perhaps be interpreted as a signal that such jurisdictions are undertaking their oversight role effectively, albeit by an arguably more unconventional approach.

**Analysis of Self-Initiated Reports**

Details relating to the 17 self-initiated reports of the three jurisdictions in the ‘more self-initiated’ category (South Australia, Western Australia, and Tasmania) are presented below. Specifically, Table 3 lists the report names, summarises the terms of reference for each report, and indicates whether or not the report was clearly critical of Government.

It should be noted that rating the degree to which a PAC is critical of Government in a report is a subjective exercise. To undertake this process in as rigorous a manner as possible, each report was reviewed and rated by two authors. In our analysis, just one of the seventeen reports examined was clearly critical of government. On this basis, it is hard to argue that those jurisdictions that do little reviewing of Auditor-General’s reports are ‘overcoming’ this by ensuring accountability through the generation of self-initiated reports instead.
### Table 3: Self-initiated reports for South Australia, Western Australia, and Tasmania 2001–2005

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Title</th>
<th>Terms of reference summary</th>
<th>Critical of Government?</th>
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</table>
| SA          | 35 Report – SA Government Overseas Offices | To undertake an inquiry into the SA Government’s overseas office with particular reference to:  
- The role and charter of each office  
- The approach to overseas offices adopted in other jurisdictions  
- Measuring the achievements and effectiveness of each office | No |
| SA          | 37 Report – SA Energy Market | To undertake an inquiry into the State’s energy market with particular reference to:  
- The supply and price of gas and electricity to consumers  
- The operation of the National Electricity Market as it affects the State  
- Electricity generation needs of the State  
- The need for further electricity interconnection with NSW and Victoria  
- The condition of the State’s electricity and distribution network. | No |
| SA          | 41 Report – Green Phone (Preliminary Inquiry) | That preliminary information be gathered before the Committee decides to undertake an inquiry | No |
| SA          | 45 Report – Holdfast Shores | To investigate the Holdfast Shores Development at Glenelg, and consider:  
- Return to Government  
- Ongoing costs  
- Impact on public and environment  
- Access to recreational facilities  
- Alienation of public/trust land | No |
<p>| SA          | 46 Report – Agent Indemnity Fund | To inquire into the Fund and table all data received in the form of an interim report. | No |
| SA          | 47 Report – Road Maintenance | To investigate the reduction in funds for road construction and maintenance in the far north of the State and in particular the number of road gangs employed and the economic effects and effects on tourism | No |
| SA          | 48 Report – Poker Machine Reduction | To investigate the economic, employment, and revenue impacts of the proposed reduction of poker machines in South Australia | No |
| SA          | 50 Report – Real Estate Industry Indemnity Fund | To inquire into the Real Estate Industry Agent Indemnity Fund. | No |
| WA          | Report 1 – Report on the Intergovernmental Agreement on the reform of Commonwealth-State financial relations | To examine the terms of the Intergovernmental agreement on the reform of Commonwealth-State financial relations and the payment of GST revenue to the State, and whether the State had met the terms of the agreement. | No |</p>
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<tr>
<th>Jurisdiction</th>
<th>Title</th>
<th>Terms of reference summary</th>
<th>Table 3 cont’d</th>
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| WA          | Report 2 – Inquiry into the Use of Visiting Medical Practitioners in the Western Australian Public Hospital System | To examine and report on the use of visiting medical practitioners (VMPs) in providing medical services in WA public hospitals, with particular reference to:  
- Use of VMPs in the public hospital system  
- Terms and conditions of engagement of VMPs  
- Compliance and accountability within an output based management framework | No            |
| WA          | Report 5 – Inquiry into Hospital Trust Accounts                      | To examine and report on issues relating to the administration and use of hospital trust accounts in the WA public hospital system, with particular reference to:  
- The nature and purpose of trust accounts  
- Sources of funding  
- The use, administration and management of trust accounts  
- Statutory requirements, accountability, and compliance  
- Costs, benefits, and potential liabilities of trust accounts to the health system | Yes           |
| WA          | Report 6 – Inquiry into the Port Coogee Development                  | To examine and report on the costs and benefits to the State of the land development at Port Coogee | No            |
| WA          | Report 7 – Inquiry into Contracts Entered Into Between Consolidated Constructions Pty Ltd and Main Roads WA and the Public Transport Authority | Whether Main Roads WA and the Public Transport Authority followed established tender processes and how tender processes can be improved. | No            |
| WA          | Report 8 – Inquiry into Developer Contributions for Costs Associated with Land Development | To examine and report on developer contributions for infrastructure costs associated with land development | No            |
| TAS         | Review of Issues relating to School Bus Safety                       | To inquire into all issues surrounding school bus transport in Tasmania                   | No            |
| TAS         | Hobart International Airport                                         | To examine the composition of the Hobart International Airport (HIA) Board and to investigate shareholdings of the HIA | No            |
| TAS         | Housing Tasmania, Intelligent Island, Procurement of Copying Paper, The Retirement Benefits Fund and Matters Relevant to Reporting to Parliament | To investigate the operations of Housing Tasmania, the allocation and distribution of funds for the Intelligent Island program (development of an internationally competitive IT & T program in Tasmania), performance of the Retirement Benefits Fund, matters relating to policies and value for money in the procurement of copying paper, and reporting by government departments and parliamentary committees | No            |
As a further step we analysed governments’ responses to these self-initiated inquiries in order to assess how seriously the recommendations arising from them are treated, providing a further measure of the PACs’ ability to ensure public sector accountability. In seven out of the nine Australian 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). The jurisdictions of Tasmania and the Northern Territory are those PACs which have no formal requirement for the Government to respond to PAC recommendations. Because of this, our analysis is limited to examining the responses of Government in South Australia and Western Australia.

The responses of Government to the self-initiated reports of the South Australian Economic and Finance Committee (EFC) have been mixed. For example, in the case of Report 35 — the South Australian Government Overseas Offices, it was noted by the EFC in its 2002–3 Annual Report that the EFC had only received a partial response to the report; however, given that both the Government and the EFC had changed in the interim, the new EFC had decided to no longer pursue the matter (Parliament of South Australia 2003). In the case of Report 41 — Green Phone Preliminary Report, published in 2002, the EFC 2004–2005 Annual Report noted that the Attorney-General issued a statement on 21 July 2004 indicating that no proceedings would be taken against Green Phone Inc. based on an assessment of the costs of such proceedings against the likelihood of conviction. It was also noted, however, that in September 2004, the Government received correspondence from one local council and one local government association asking for the Green Phone Inquiry to be reconvened. The EFC wrote to these bodies requesting further justification for re-opening the inquiry, but at the time of preparation of the 2004–5 Annual Report, had not heard back from these groups, and thus no further work had been undertaken (Parliament of South Australia 2005). The Western Australian experience has been more straightforward. Typically the response of government to PAC reports has been to adopt the recommendations of the PAC.

Conclusion

The importance of systems of oversight, governance and accountability is now clearly understood in both the private and the public sector context. The PAC is and has been central to the process of parliamentary accountability within the Westminster system. However, to date little if any work has been done looking at the specific activity of these committees, particularly the direction, agenda setting and source of PAC enquiries. We utilise Kingdon’s (1984, 2003) work on agendas and standard setting to illustrate the power and influence implicit in the process of agenda setting and therefore the ability of the agenda setter to open public debates in some areas and stifle the debate in others.

Existing academic literature, policy documents and press reports suggest that there are concerns about the levels of independence associated with the work of the PACs and the need for clear and publicly evidence independence for the oversight, governance and accountability work of the PACs to be taken seriously.
The purpose of this paper was to investigate the balance between parliamentary initiated, self initiated enquiries and follow-up of Auditor General reports in the recent work of the Australian parliamentary PACs and thereby to explore what that shows about the independence or a lack of independence on the part of Australian PACs.

The results of the classification of the 148 reports produced by PACs in the nine Australian jurisdictions over a four-year period indicates that there are three categories into which Australian PACs can be grouped according to the origin of their inquiries. The first category comprises those PACs for which the follow-up of Auditor-General reports was the principal activity (and who typically do comparatively little in the way of self-initiated inquiries) – Queensland, New South Wales, Australian Capital Territory, and the Federal Parliament. The second category comprises those PACs for which self-initiated inquiries was the most common activity (and who typically do comparatively little in the way of following up/reviewing Auditor-General’s reports) – Western Australia, South Australia and Tasmania. The third category comprises those PACs with a ‘balance’ between following up Auditor-General’s reports and generating self-initiated inquiries. The Victorian Public Accounts and Estimates Committee was the only Australian PAC that fell into this category in our analysis.

With the PACs that focused principally on reviewing and follow-up the work of the Auditor-General it would be difficult for the executive government to significantly set the agenda for their work as the agenda is driven by the work of an independent Auditor-General. All these jurisdictions had some self initiated enquiries which would be regarded as a generally healthy and positive sign.

The Victorian Public Accounts and Estimates Committee was both an interesting and exceptional case given the balance between follow-up enquiries and self-initiated enquiries. In some ways this represents the ideal of combining both activities. However, it is also difficult to conclude whether this represents a case of dominance or independence on the part of this committee. Given that more detailed studies of the work of the Victorian Public Accounts and Estimates Committee have presented them as an example of best practice and that there is a strong constitutional independence of both the committee and for the Auditor General (Jacobs et al. 2007) we would be inclined to interpret the balance of activity as a positive sign. However, we note that there is a need for more detailed studies of the Victorian Public Accounts and Estimates Committee reports and activities over the last decade.

The third grouping in our study was the PACs which focused more heavily on ‘more self-initiated’ inquiries – Western Australia, South Australia, and Tasmania. Both Western Australia and South Australia were chaired by Government members and with government majorities. In Tasmania there is a complex electoral system which results in a large number of minor parties and independents, particularly in the Upper House. Given that the chair of this committee and the majority of the
committee members are from the minor parties or the independents it is unlikely that the government of the day could dominate the work programme.

This analysis indicated that only one of the 14 self-initiated reports produced by Western Australia and South Australia was critical of the Government which raises questions about the independence of these PACs. However, it should also be noted that none of the three reports produced by the Tasmanian PAC, which we have already argued would be difficult for a government to significantly influence, was critical of the Government.

We judged that it was necessary to further investigate and analyse the self initiated reports from the jurisdictions of South Australia and Western Australia. The argument underpinning the presence of a government member as the chair of the committee is that this will facilitate the follow-up and implementation of any recommendations made by a given PAC. We found that government follow-up to PAC reports was not always particularly efficient. In one particularly interesting case in South Australia, a recommendation was not followed up in full by government; but given that both the PAC and the government had changed in the meantime, the new PAC decided not to pursue the matter. By comparison, ministerial follow-up to PAC recommendations appears more efficient in Western Australia.

We would conclude that the presence or absence of a government chair was not the central deciding factor in determining the independence of the work-program and enquiries of the PACs studies and that other factors such as the resourcing, constitutional structures and working-relationship with the local Auditor-General were also important. This finding is consistent with the study reported by McGee (2002). However, neither did we find evidence that the presence of a chair from the ruling party necessarily facilitated the follow-up and implementation of the enquiry recommendations. Given the place of an independent chair within the Westminster model and within the majority of the Commonwealth jurisdictions this may be an issue of legitimation and public perception. However, given the importance of the perception of good governance, integrity and accountability within all Parliaments, issues of public perception should never be dismissed.

With respect to PACs, and issues of accountability and accounting, there are many opportunities for further research. At this stage, there has been little empirical research undertaken into PACs, the majority of prior work being largely normative. This study focused on one dimension along which Australian PACs differ — their primary source of inquiry. The KPMG survey (2006) has demonstrated how widely Australian PACs vary in their structures and practices. A fruitful research agenda over time could be to construct a typology of how Australian PACs differ based on a number of different dimensions. This could include the political environment in which they operate, a subject which has been researched only with respect to the early twentieth century (Degeling et al 1996; Jacobs and Jones 2009).
References


