

APS Annual Report Requirements

- 4.1 Annual reports of Australian Government agencies are an important source of both current performance and historical information.
- 4.2 Each year, in accordance with the *Public Service Act 1999*, draft *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies* are submitted to the JCPAA for approval. As these provide the basis for agency reports, the Committee carefully considers any proposals to amend, add or omit any requirement.
- 4.3 The focus for the Committee is to ensure that agency annual reports meet their purpose and remain useful to Parliament and the public in providing a transparent, plain English summary of performance. However the Committee is also mindful that the requirements are not overly burdensome, nor result in agencies unnecessarily duplicating information that is readily available through other sources.
- 4.4 In considering the 2011-12 Annual Report Requirements, two significant areas of focus for the Committee were:
- streamlining of reporting on consultancy contracts after both the Finance department and the ANAO identified overlap in reporting regimes and the potential for errors and inaccuracies as a result of the differing requirements;¹ and
 - options for reporting on agency compliance with the *Procurement 30 Day Payment Policy for Small Business*.²

1 ANAO, *Report No 7 2010-11, Performance Audit on Senate Order Compliance*, pp.17-18 and p.20.

2 See <http://www.finance.gov.au/publications/finance-circulars/2008/10.html>.

Consultancy contracts

- 4.5 This year, to advance the Australian National Audit Office's recommendation in *Report No 7 2010-11, Performance Audit on Senate Order Compliance*, a proposal was put forward by PM&C and the Finance department to remove the requirement for annual reports to provide details of consultancy contracts let in the reporting year, on the basis that this information was available through AusTender³.
- 4.6 In addition to considering the proposal, the Committee invited Finance to demonstrate AusTender's capacity to produce reports on contracts, including consultancies. The Committee agreed that it was important to maintain a requirement to include a summary of consultancies let and information on where to access detailed reports, however, acknowledged the requirement to provide a list within annual reports has been superseded by the improvements in AusTender's reporting capabilities.
- 4.7 While a seemingly minor amendment, this change reduces red tape and allows agencies to focus on providing core services rather than staff being tied up reproducing information that is readily available. The Committee will be watching with interest the outcome of future audit reports to ensure that AusTender's data quality continues to improve and meet the needs of Parliament, agencies, business and the general public.

Supporting Small and Medium Enterprises

- 4.8 The Committee also has an ongoing interest in initiatives to support small and medium enterprise suppliers to government. In addition to examining the Auditor-General's recent report on the use of procurement panels and considering how procurement policies affect SMEs⁴, the Committee also asked that annual reporting on payments to small business include more detailed agency-specific information.
- 4.9 The Committee acknowledges the continuing positive results in the aggregate per cent of 'payment within 30 days'. However, as the data has already been collected, the Committee considered the inclusion of individual agencies data would increase transparency, without increasing workload, and ensure each agency is meeting the standard.

3 See www.austender.gov.au. AusTender is the centralised publication of Australian Government contracts awarded.

4 For details of the JCPAA Review of Auditor-General's Reports Nos 24-32 (2011-12) see http://www.aph.gov.au/Parliamentary_Business/Committees/House_of_Representatives_Committees?url=jcpaa/auditgen5_12/index.htm.

- 4.10 Responding to these concerns, PM&C, in consultation with other relevant departments, advised the Committee that the Annual Report Requirements will continue to include an assessment of agency performance against core purchasing policies and principles. In addition, the *Australian Government Payments to Small Business Performance Report* produced annually by the Department of Industry, Innovation, Science, Research and Tertiary Education will be enhanced with the inclusion of information on the performance of individual agencies.

Committee comment

- 4.11 The Committee looks forward to continuing to work with the departments responsible for setting whole-of government reporting requirements, and particularly the Annual Report Requirements. The Committee also appreciates that agencies are striving to achieve extra efficiency gains, and as such, encourages all agencies to put forward suggestions to improve reporting processes or annual reports more generally.

Rob Oakeshott MP
Committee Chair
August 2012

