

The Parliament of the Commonwealth of Australia

**SENATE
FINANCE AND PUBLIC ADMINISTRATION
LEGISLATION COMMITTEE**

REPORT ON 1998-99 ANNUAL REPORTS

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CHAPTER 1 - OVERVIEW

Introduction

In accordance with the amendment to continuing order of the Senate no. 1, relating to the allocation of portfolios to committees agreed to on 11 November 1998, the Finance and Public Administration Legislation Committee has responsibility for the oversight of the following:

- Parliament;
- Prime Minister and Cabinet; and
- Finance and Administration.

Under Senate Standing Order 25 (21) annual reports of departments and agencies stand referred to legislation committees in accordance with the above resolution. Each committee is required to:

- (a) examine each annual report referred to it and report to the Senate whether the report is apparently satisfactory;
- (b) consider in more detail, and report to the Senate on each annual report which is not apparently satisfactory, and on the other annual reports which it selects for more detailed consideration;
- (c) investigate and report to the Senate on any lateness in the presentation of annual reports;
- (d) in considering an annual report take into account any relevant remarks about the report made in debate in the Senate;
- (e) if the committee so determines, consider annual reports of departments and budget-related agencies in conjunction with examination of estimates;
- (f) report on annual reports tabled by 31 October each year by the tenth sitting day of the following year, and on annual reports tabled by 30 April each year by the tenth sitting day after 30 June of that year;
- (g) draw to the attention of the Senate any significant matters relating to the operations and performance of the bodies furnishing the annual reports; and
- (h) report to the Senate each year whether there are any bodies which do not present annual reports to the Senate and which should present such reports.

Reports examined

As required by standing orders, the committee is required to report on those annual reports referred to it and which were tabled by 31 October by the tenth sitting day of the following year. On this occasion, however, as all annual reports of bodies under the committee's responsibility had been tabled at the time of preparing this report, it has therefore elected to include all reports for consideration in this report, eliminating the need for a second report later in the year.

The annual reports referred to the committee include:

- two from executive departments – the Department of Finance and Administration (DOFA) and the Department of the Prime Minister and Cabinet (PM&C);
- four from parliamentary departments – the Department of the Senate (Senate), the Department of the Parliamentary Library (DPL), the Department of the Parliamentary Reporting Staff (DPRS) and the Joint House Department (JHD);
- 23 from statutory officers or bodies – the Aboriginal and Torres Strait Islander Commercial Development Corporation (CDC), the Aboriginal and Torres Strait Islander Commission (ATSIC), the Aboriginal Land Commissioner, the Aboriginals Benefit Reserve (ABR), the Anindilyakwa Land Council (ALC), the Australian Institute of Aboriginal and Torres Strait Islander Studies (AIATSIS), the Auditor-General (ANAO), the Australian Electoral Commission (AEC), the Central Land Council (CLC), the Commonwealth Grants Commission (CGC), the Commonwealth Ombudsman, the Commissioner for Superannuation (ComSuper), the Council for Aboriginal Reconciliation (CAR), the CSS Board, the Indigenous Land Corporation (ILC), the Inspector-General of Intelligence and Security (IGIS), the Northern Land Council (NLC), the Office of the Official Secretary to the Governor-General, the PSS Board, the Public Service Commissioner (including the report of the Merit Protection and Review Agency), the Remuneration Tribunal (RT), the Tiwi Land Council (TLC) and the Torres Strait Regional Authority (TSRA);
- one from an independent office in the Finance and Administration portfolio – the Office of Asset Sales and Information Technology Outsourcing (OASITO);
- two from non-statutory bodies – the Australian Political Exchange Council (APEC) and the Official Establishments Trust;
- one from a government company – Aboriginal Hostels Limited (AHL);
- one on the operation of an Act – *Members of Parliament (Staff) Act 1984* – Consultants engaged under Section 4 of the Act;
- *Service Charters in the Australian Public Service: two-year whole-of-government report July 1997-June 1999*; and
- *State of the Service Report 1998-99* and *Workplace Diversity Report 1998-99*, from the Public Service and Merit Protection Commission.

The committee has determined to consider but not to report on the annual report of the Indigenous Land Corporation as another parliamentary committee, the Joint Committee on Native Title and the Aboriginal and Torres Strait Islander Land Fund, has specific responsibility for overseeing that agency. The committee defers to its References arm the consideration of the State of the Service Report 1998-99 and Workplace Diversity Report 1998-99, given that committee's current inquiry into APS employment matters.

Other reports referred to the committee for the first time

In addition to the above reports, the reports or financial statements of four Commonwealth companies fell to the committee's consideration for the first time following the gazettal of the Minister for Finance and Administration as the 'responsible minister' of those companies, under section 5 of the *Commonwealth*

Authorities and Companies Act 1997 on 22 September 1999.¹ The companies are ComLand, Employment National, Essendon Airport Limited, and Sydney Airports Corporation Limited. The committee does not propose to examine the reports or statements on this occasion, as other Senate legislation committees with relevant subject expertise have the reports referred to them for consideration. In future years, this committee may examine issues relating to the shareholding responsibilities of the Minister for Finance and Administration.

Assessment as to whether the reports are satisfactory

In the committee's view, all the reports examined on this occasion are 'apparently satisfactory' as per Standing Order 25 (21) (a).

Non-reporting bodies

The committee notes that the financial statements of Employment National Ltd which are tabled as now required by the responsible minister under the CAC Act are direct excerpts from the modestly longer annual report of the company. While the complete annual report has been provided on request, the committee believes it would be helpful if the entire report were tabled.

The committee has also been provided with copies of the annual report of the Registrar of Aboriginal Corporations. The Registrar's enabling legislation does not require him to prepare an annual report, but he considers it appropriate and desirable to do so. In the circumstances, the committee believes that it would be appropriate for the Minister for Aboriginal and Torres Strait Islander Affairs to table the report.

Structure of the remainder of the report

In chapter 2, the committee addresses general issues across all the 1998-99 reports it has considered. In chapter 3, it has selected a number of reports to examine in more detail. They include the reports of the parliamentary departments, the Department of the Prime Minister and Cabinet, the Department of Finance and Administration, all reports of CAC Act agencies, and the Council for Aboriginal Reconciliation. Chapter 4 considers the availability and ease of use of these annual reports on the Internet.

¹ See section 4A(b) Commonwealth Authorities and Companies Amendment Regulations 1999 (No. 5)

CHAPTER 2 – GENERAL ISSUES

Introduction

The 1998-99 annual reports referred to the committee are a varied lot. Some agencies have moved, in advance of a formal requirement to do so, to reporting against an outcomes and outputs framework; others have reported against a programs and sub-programs framework; while others have attempted a juggling act and tried in one way or another to incorporate both the old and the new.

In addition, the annual reporting requirements for all categories of agency have changed, and are again being revised for 1999-2000. A revised set of departmental requirements for 1998-99 reports received the imprimatur of the Joint Committee of Public Accounts and Audit on 12 May 1999, affecting the reports of the two public service departments whose activities the committee oversees, as well as the ten agencies whose chief executives have the powers of a departmental secretary, and the five parliamentary departments which generally elect to follow the departmental reporting requirements. Specific reporting requirements for agencies which report according to the *Commonwealth Authorities and Companies Act 1997* were spelt out in Finance Ministers Orders of 17 August 1998.

The broad thrust of the reporting changes is to streamline public sector annual reports and to bring them more into line with their commercial counterparts. The departmental reports are intended to focus on results and to provide sufficient information for the Parliament to make an informed judgment on departmental performance while avoiding ‘excessive and extraneous detail’.¹ Information which has, in the past, been of particular interest to members and senators, such as consultancy services, has been reinstated. Agencies are therefore presented with the considerable challenge of producing reports which focus on results but which provide enough process detail to satisfy accountability requirements, all within a modest size.

Not surprisingly, the resulting 1998-99 annual reports have been varied in quality. The required reporting information does not sit easily in the one document and not all agencies succeeded in producing a readable and logically ordered volume. Neither the requirements, nor the reports themselves, suggest that the major issue of how an annual report is used has been addressed: whether it is intended to be read from cover to cover, or merely dipped into for certain information. The ‘dippers’ would have very real problems with some reports, given the inadequacy of some tables of content and indexes; while the annual-report-as-novel approachers would be disconcerted by the amount of repetition from overview to program/output description to performance assessment to notes to the financial statements.

1 Department of the Prime Minister and Cabinet, *Requirements for Departmental Annual Reports*, May 1999, p. 1.

Timeliness

On a positive note, the committee is pleased to see that most reports were tabled in a timely fashion. The parliamentary sitting pattern for spring 1999 was unusual, with a lengthy break from 22 October to 22 November to accommodate the constitutional referendum, a break which coincided with peak annual report tabling. Three agencies (the Aboriginal and Torres Strait Islander Commission, the Department of the Parliamentary Reporting Staff, and the Office of Asset Sales and Information Technology Outsourcing) whose reports had not been tabled by the time Parliament rose on 21 October met their timeliness commitment by presenting their reports out of session to the President.

Three reports of Aboriginal organisations were tabled late: the reports of the Anindilyakwa Land Council (30/11/99); the Central Land Council (24/11/99); and the Tiwi Land Council (30/11/99). In each case, the minister presented statements relating to the late tabling, namely audit delays and jury service requirements of finance officers, well in advance of the due tabling date. The report of the Aboriginal and Torres Strait Islander Commercial Development Corporation was, according to the Senate *Order of Business*, presented to and received by the minister on 15 October 1999, as required by section 9 of the *Commonwealth Authorities and Companies Act 1997*. The reporting obligations of the minister under that Act are to table the report 'as soon as practicable'. It was not tabled until 7 December 1999, however, some 14 sitting days after its receipt.

The report of the Australian Electoral Commission was tabled late, on 23 November 1999. The transmittal letter (or date the report was approved for printing) as published in the report was 11 October 1999; the Senate *Order of Business* for 23 November records that the report was provided to and received by the minister on 18 October 1999 but the minister apparently failed to table it, as required by sub-section 25(8) of the *Public Service Act 1922*, before 31 October. As he was engaged in overseeing the conduct of the referendum at the time, however, such an oversight is understandable. The committee suggests that the common practice of chief executives' reciting in their letter of transmission what the minister is legislatively required to do with the report (namely table it by a given date) is a useful precaution.

The Official Establishments Trust annual report was tabled on 23 November, although signed off by the Chairman, Richard Giffin, at an unspecified date in September. As a non-statutory body, the Trust is no longer required to report publicly at all, though the committee is pleased that it elects to do so. It would prefer to see such reports tabled promptly, however.

The revised reporting requirements

The 1998-99 departmental annual reports are the first, and presumably the last, to be produced under the May 1999 guidelines, as the committee is aware that the revisions to accommodate the changed reporting framework for 1999-2000 and to accommodate the government's preference for conciseness are under active consideration. In the circumstances, rather than taking issue with any specific requirement or lack of

requirement, the committee reiterates the views it expressed in Chapter 2 of its *Report on Annual Reports 1997-98: Report Two*, which was tabled in August 1999.

One or two additional points have occurred to the committee, however, following its perusal of the 1998-99 reports. The committee remains committed to the principle, enunciated in its 1989 report on *Government Companies and their Reporting Requirements*, that the existence of a body must be known if it is to be held accountable. Agencies are no longer required to disclose the existence of any non-statutory bodies operating under their aegis. Some quite properly make such disclosures of prominent agencies: for example, the Department of the Prime Minister and Cabinet refers on occasions throughout its annual report to the activities of the Official Establishments Trust and that body presents its own annual report. Under the current reporting regime it would, however, be theoretically possible for a non-statutory advisory body of considerable influence to be established, to have positions thereon filled on questionable merit, and for those persons to attract generous daily sitting fees and travel allowances at public expense, without any disclosure at all.

Mindful of the government's desire to streamline annual reports, the committee believes that a modest level of disclosure – such as the name of any non-statutory body operating within the portfolio - would be a helpful starting point. It is adamant that disclosure is required, and considers that if operating detail of such bodies is deemed inappropriate for the annual report or the Government On-line Directory, alternatives such as individual web pages linked to, or contained within, the relevant departmental or agency site might be envisaged. By analogy, governments have accepted their accountability obligations to disclose in annual reports two other areas of potential and frequently alleged 'abuse', namely grant recipients and at least totals of consultancies.

Another reporting issue is the question of when a separate annual report is required, as opposed to the inclusion of the relevant reporting information in a 'parent' or related body's report. If a report is disseminated widely in hard copy for whatever reason, there is perhaps a case for retaining a separate reporting identity. If it is not, then economies of scale would suggest its inclusion in another report. The case of the Papua New Guinea superannuation schemes is an example. After many years of separate reporting, the Commissioner for Superannuation now incorporates a report on the schemes in her own report and draws suitable attention to it in the index. Other bodies could well follow suit. In the committee's view, appropriate reporting is required, and not necessarily separate or stand-alone reporting; with the proviso of course that the reporting can be readily found.

Performance reporting

The reporting requirements repeatedly exhort that the 'emphasis is to be on whether or not program objectives have been achieved'² and promote a focus on outputs

2 Department of the Prime Minister and Cabinet, *Requirements for Departmental Annual Reports*, May 1999, p. 8.

(efficiency) and outcomes (effectiveness). Descriptions of activities are to be minimised. Some agencies have taken this a little too literally and it is extremely difficult to find out what they actually did in the year in review, except in most general terms. Having in the past criticised agencies for excessive detail, the committee does not wish to encourage overzealousness in description again. The parliamentary departments, by and large, are particularly at fault here, providing excessive detail on matters which are well known to their primary audience. In the committee's view, there must be sufficient factual accounting of what went on in the year under review, to complement the analysis of how efficiently it was done and how it contributed to the achievement of the outcomes set.

Agencies should not underestimate Parliament's desire to know how activities were undertaken. It is useful to learn that the Budget was prepared on time – but what is of equal interest to parliamentarians, as the people's representatives, is how much it cost – not only in financial terms - to achieve that end and how appropriate were the means adopted. How many staff worked on it and how many of those were brought in on short-term contracts? For how long? What staff turnover was there in the branch? How much financial inducement were they offered to put in the long hours? And, once the base-line data are established, yearly comparisons should be reported. The committee accepts that such comparisons can be misleading and that nothing is ever exactly comparable, year on year. Hard data are, however, a better start for an analysis of efficiency than a bland assertion of success. Nor is the reporting agency the final arbiter of efficiency and effectiveness – it merely puts forward its own assessment, backed up by whatever evidence it can muster – for others, particularly Parliament, to judge.

As noted above, the 1999-2000 annual reports will be the first in which reporting against specific performance indicators outlined in the 1999-2000 Portfolio Budget Statements (PBS) will be required. The committee commends those agencies which were able to make the transition to outcomes and outputs reporting one year early. Early impressions on the basis of the performance reporting of that small sample are that, while quantifiable indicators are dealt with fairly well, and explanations are provided for missed targets, no attempt has been made to assess progress towards the often aspirational 'outcomes'. Nor do the listed outputs per outcome necessarily paint a complete picture of the outcome but are frequently merely a compilation of those issues which are measurable. The committee will consider these issues more fully in its report on the 1999-2000 annual reports, when all agencies will be required to report against their 1999-2000 PBS indicators.

The committee does not wish to be overly negative about the quality of performance assessment, particularly when the new indicators are still being refined. However, the rhetoric surrounding the introduction of accrual budgeting with an outcomes and outputs reporting framework promised vastly improved reporting in this area, with the possibility of comparisons year on year and benchmarking across portfolios and more

broadly. The emerging reality seems to be the highlighting of areas of cost-savings, particularly through outsourcing, with a lack of commensurate reporting on whether the functions were being performed as efficiently as or better than before. Or, indeed, whether agencies had opted for a lower level of service quality in order to economise.

It will be suggested again that the Parliament should not concern itself with such process issues and should merely look at the results achieved from the expenditure of the moneys it appropriates. Public sector accounting is not so transparent or detailed that costly mistakes cannot be buried in broad output figures, however. This committee will, as appropriate, consider progress towards outcomes but not to the exclusion of process issues. It will continue to question, in estimates and in annual report or other agency scrutiny processes, such matters as the delivery of services when contractors go to the wall, legal costs, the immediate and longer-term costs and benefits of the use of contractors, the probity of tender processes, et cetera.

Presentation

Aided by technological advances, the presentational standards of annual reports have improved remarkably in recent years and most reports examined by the committee were highly professional and stylish documents, within the constraints of the AusInfo standards. While such matters are of a lower order of relevance to the committee compared with content, it nevertheless noted a few points on which it feels constrained to comment. One report's binding was so inadequate that it fell apart within minutes of gentle use. The text of several reports was offset incorrectly so that the binding rendered it difficult to read. Others used overly generous side, top and bottom margins, separate pages for single words and generally lavish rather than economical layouts. One even printed its name incorrectly on the cover. Indexes were often hit and miss affairs that showed little appreciation of indexing conventions or style. Indexes which did stand out as good examples were those in the reports of the Department of the Prime Minister and Cabinet and ATSIC.

Financial statements

The committee was pleased to see that on this occasion that all financial statements received unqualified audit reports and none attracted an 'emphasis of matter'. The committee was also pleased to see that DOFA took the opportunity to provide a brief narrative preface to its financial statements, drawing out the highlights. Agencies varied considerably in the detail provided in their notes to the accounts, with DOFA again providing a good lead to others.

Service charters

Bodies which provide services to the public are required to prepare and implement a service charter. According to the whole-of-government report on service charters in the APS, tabled on 19 October 1999, the following bodies which the committee oversees had service charters in place by 30 June 1999: AusInfo (in DOFA report), AEC, ComSuper, CDC, ATSIC, Aboriginal Hostels Ltd, AIATSIS, Commonwealth Ombudsman, ILC, Office of the Registrar of Aboriginal Corporations and TSRA.

All reports but one from the above bodies referred to their service charter. Coverage varied reflecting to some extent the stage of implementation. Some bodies reported on performance against service charter standards; others reported only that they had developed and distributed the charter. The reports of ComSuper, Commonwealth Ombudsman and AusInfo contained useful information on performance and feedback received, including the number and nature of complaints, the timeliness of handling complaints, and areas identified for improvement.

The committee will continue to monitor the results of implementation of charters to ascertain the extent to which the identified customer needs and quality of service are being met and that any problem areas are addressed.

The committee congratulates Aboriginal Hostels Limited which received a silver award for excellence in service practices in agencies with service charters, in the recent Awards for Excellence in Customer Service announced by the minister responsible for overseeing service charters, Senator the Hon. Chris Ellison.³

3 Media release, Senator the Hon. Chris Ellison, 8 December 1999.

CHAPTER 3 – SPECIFIC ISSUES

Reports of the parliamentary departments

The committee routinely examines the reports of four parliamentary departments, those of the Senate, Joint House, Parliamentary Library and Parliamentary Reporting Staff and excludes, for comity reasons, the report of the Department of the House of Representatives. For the 1998-99 year, the parliamentary departments were required to report under clause 9B(2) of the *Public Service Act 1922* and all voluntarily elected to report according to the departmental reporting guidelines approved by the Joint Committee of Public Accounts and Audit. With the passage of the *Parliamentary Service Act 1999*, that has become mandatory.

In the past, the committee has not given particular consideration to the issue of whether parliamentary department reporting should follow the same requirements as public service agencies. The committee notes that the proposed changes to the requirements for the 1999-2000 departmental annual reports are less prescriptive than those of previous years and allow considerable scope for individual agency interpretation, and hence are generally quite suitable for parliamentary use, particularly for the non-chamber departments.

Department of the Senate Annual Report 1998-99

For a department of 289 staff, the length of the annual report – 203 pages - seems excessive to the committee, given the presence of two supplementary publications, *Business of the Senate* and *Work of Committees*, a comprehensive parliamentary Internet site and massive hard-copy circulation of lists, reports, et cetera. A detailed description of how the department operates is quite unnecessary for senators, who can see it in action. If the department wishes to outline this information to others, its web pages are a more appropriate location. The statistical compilations are useful but again, only the key ones need take their place in the annual report. Lists of senators, telephone numbers for minor contacts such as the mail room or staff development, organisation charts for each office providing an extensive breakdown below the Clerks-Assistant level, lists of publications going back to the 1980s, seminar programs, publications by senior officers, and the Senate sitting calendar are examples of matters the committee considers to be candidates for exclusion from the annual report, given their ready availability elsewhere.

What continues to be absent from the report is any serious analysis of departmental performance, apart from selected findings of the regular survey of senators' satisfaction with the services provided. To take the committee office, for example, the fact that a senator is satisfied with advice received does not necessarily mean that the advice was correct, or vice versa. A major output of the committee office is its reports, which are based on drafts from committee secretariats, drafts which may be amended significantly by the committee or tailored to committee specifications. No formal external analysis of the quality of those reports is routinely undertaken, apart from the government response to recommendations put forward in committee reports. Even

though the government response is at best a partial indicator of report quality, and report quality is only partially the responsibility of committee secretariats, some analysis of the tangible results of committee reports would be desirable in the annual report. This could include an assessment of cases where the inquiry process was of itself significant. And for benchmarking purposes both internally and externally, the committee would like to see the department follow the lead of the Australian National Audit Office and publish either in each report or in the annual report the cost of each major inquiry, the time taken to report and the staff hours involved.

The committee office states that its performance is assessed against, inter alia, 'the extent to which secretariats have been able to reach out and involve the relevant community of interest in their inquiries' but it appears to the committee that no attempt has been made to survey witnesses about their dealings with secretariats, on the representative nature of the witnesses selected to give evidence, on the conduct of hearings or on their views of the final report.

The annual report is studded with assertions which, in the committee's view, the department would have trouble substantiating. For example, we read on page 20, 'Inquiries by the media and members of the public continued to increase, and the department was able to deal satisfactorily with all such inquiries.' This is not to say such assertions are necessarily inaccurate, merely to suggest that if the department intends to make them, it should consider collecting the relevant information.

The committee noted that one officer was listed as filling a position contemporaneously in both the Department of the Senate and the Department of the Parliamentary Reporting Staff. The reality was that the said officer was seconded for a period from the former to the latter department. Had either department provided an organisation chart dated, for example, 'as at 30 June 1999', such misleading information would have been avoided.

One aspect of the report format which the committee believes needs addressing is the lack of an overall review of the operations and performance of the department by the Clerk. Such reviews set the tone for the report that follows and serve as executive summaries for the time-challenged. A feature of the report is the repetition by each program of the fact that there had been a federal election during the period, which affected the operations of the program. This could well have been covered once in an overview, had there been one. The committee commends to the department the personal overview approach of the Auditor-General and the Commonwealth Ombudsman in their annual reports.

Joint House Department Annual Report 1998-99

The annual report of the Joint House Department (JHD) continues to be the committee's preferred report of those of the parliamentary departments. It is well-presented, unfussy, easy to use, of appropriate length and its emphasis is not on what it does but how well it does it. The four and a half page secretary's report, personally signed, provides a suitable opening, though the committee suggests that the 'corporate information' section which follows it could well find a more suitable home later in the

report. The use of a ‘balanced performance scorecard’ and an organisational culture inventory is commendable, as is the stated intention to report against each every year.

The JHD report states clearly what it will measure and provides clear graphs to illustrate the narrative account of the measurement and the reasons for the result achieved. For example, we learn that for the year in review, Parliament House maintenance costs were \$39 per square metre, compared with \$37 the previous year; the explanation provided was that the increase reflected the increases in wages and restructuring over the last 12 months; that the independently benchmarked mean against equivalent buildings (unspecified) was \$51.80; while the building condition index just exceeded the JHD target of 90 per cent and outstripped the mean of 79 per cent. The committee of course has no independent means of verifying these figures.

Qualitative measures of performance are highly subjective and often suspect, in the committee’s experience. JHD at least tries to come up with assessments by outsiders with no vested interest in the outcomes. Industry groups inspecting the landscaping, for example, were surveyed and 91 per cent rated the landscape at 6 or better out of a possible 7, while 92 per cent of the 208 members of the general public who visited during Floriade and who completed a survey form also opted for a 6 or better. Again, one could quibble about what the findings mean. Are people who self-select more likely to be positive in their ratings? And did the tour take them to the blandly turfed areas outside the ministerial wing? This aside, the JHD appears to take seriously the need to ask the questions.

JHD has taken to heart the committee’s interest in consultancies and provided tables of all consultancies of \$2000 or more, showing start date, name of consultant, agreed cost, coded reason for the consultancy, the program requiring the service and expenditure in the year under review. In addition, it supplements this with totals, broken down by program and by reason of hiring. Inevitably, the more information provided, the more questions it can raise in the reader’s mind. Why, for example, should a portrait of the President cost \$3400 more than a portrait of the Speaker? And why not compare expenditure on consultancies with that of the previous two years? The failure to do so led the committee immediately to check and to discover that in 1997-98, the department engaged 12 fewer consultants and the total contractual cost was \$1.8 million, compared with the \$2.8 million paid to consultants in the financial year under review. Clearly, consultants in this and many other departments are doing work previously done in-house. While this might be cost beneficial in the short term, the longer-term consequences are unclear.

Another modest change went all but unheralded in the 1998-99 report, namely the change to the allocation of overheads between the two programs. In 1997-98, it was 50:50; in 1998-99 it was 68:32. A brief explanation of the cost allocation methodology might have been useful.

Department of the Parliamentary Reporting Staff Annual Report 1998-99

The Department of the Parliamentary Reporting Staff (DPRS) annual report commences with a rather curious corporate overview which, instead of summarising

the significant issues and developments within the department during the year or commenting on the department's performance, contains instead a list of services plus the grab-bag of other reporting requirements such as social justice and equity, workplace diversity, and internal and external scrutiny. The secretary's review which follows and which does address the significant issues facing the department is perhaps where the report should have commenced. It outlines succinctly the changes to the organisational structure and the rationale for them

The DPRS makes a serious effort to report on performance, using clear, readable bar charts where appropriate. It reports briefly on the findings of a survey carried out by consultants of senators' and members' expectations and perceptions of service quality, and the department's response to the timeliness concerns raised. One aspect of the response is stated to be the use of external transcript providers. No indication is provided of the balance between staff and external providers, and the committee wonders if Hansard intends to break down by type of provider its performance information, in terms of timeliness and error rates. The DPRS cites the Westminster experience of using 'larger teams' to report proceedings and the outsourcing of 'a sizable volume' of committee work. Comparative details would be useful. The committee acknowledges that there will always be a tension between timeliness and accuracy and appreciates Hansard's open disclosure of both aspects of its performance.

The committee notes a useful discussion of the findings of the remote and mobile computing trial, a matter which was also raised in the additional estimates. Some quantification of the 'much higher support costs' would be useful in future. Client satisfaction with SAVO services was measured by client feedback forms but no indication is given as to the percentage of clients completing the feedback. The report does address problem areas, such as the chamber sound reinforcement, and the measures taken to overcome them.

The report discloses that, for the period ending 30 June 1999, an amount of \$31,000 was distributed to three SES officers, compared with \$76,750 the previous year. No provision for performance pay is indicated for the 1999-2000 year. This seems to suggest a change in remuneration policy, which is not explained in the report. The report further discloses that the department negotiated AWAs with the 'majority' of SES officers, yet does not explain the terms and conditions of employment of the others.

Given the magnitude of its internal restructure, the DPRS sensibly includes its submission to the Appropriations and Staffing Committee on the subject as an appendix, rather than rehearsing the same arguments at length in the body of the report.

In one instance the committee considers the use of graphical presentation overdone: the pie chart on page 117 depicting the SES positions occupied by women (one in five). While pictures can indeed be worth a thousand words, in this case neither was warranted.

Department of the Parliamentary Library Annual Report 1998-99

The Department of the Parliamentary Library (DPL) annual report commences with a review of the year's operations, including a brief look at the challenges experienced and the outlook for the year ahead. The DPL has developed a single outcome, 'To contribute to a more informed Parliament and, through it, to the Australian community'. While the committee has not considered outcome statements systematically yet, this one presented itself as a worthy aim but a real challenge to measure.

The report provides considerable detail of client feedback on its services. The entire text of the consultants' 1999 report of their evaluation of the Library's client services is included as an appendix and provides most interesting reading. While for the most part, it reports highly positively on Library services, it addresses, albeit briefly, examples of perceived bias and concerns about confidentiality.

The DPL indicates that it continues to refine its costing model, to provide accurate costs per unit of output and to enable it to benchmark its services against those provided elsewhere. It also reports on certified agreement provisions which address the workload peaks and troughs that characterise the parliamentary environment: the widening of the bandwidth period for flextime purposes so that staff can accumulate up to four weeks of credit in peak periods, which they can then take as leave in non-peak periods or when operational requirements permit.

One staffing issue on which the DPL has commented in the past – the age of its workforce - is mentioned again. The percentage of officers over the age of 40 has reached 73, and is steadily rising. This is clearly of concern to the department but no strategies are suggested in the report to handle the issue.

Note 13 to the financial statements show that two officers' total remuneration exceeds \$100,000 and the aggregate amount of remuneration includes performance pay. The committee was unable to find any reference to the quantum of performance pay in question, nor to the criteria on which it was awarded. The committee further notes the continuation of the strange arrangement whereby the DPL and the DPRS share a chief executive (in the Library's case, in an acting capacity) and have done so for a number of years. An explanation in each annual report would seem to be in order.

Other reports following departmental reporting requirements

The committee had referred to it reports from 12 other agencies which report following the departmental requirements. The quality of reporting from those agencies is, in general terms, both satisfactory and timely. On this occasion, the committee has selected for specific review the reports of the Department of the Prime Minister and Cabinet (PM&C) and the Department of Finance and Administration (DOFA) only.

Department of the Prime Minister and Cabinet Annual Report 1998-99; Department of Finance and Administration Annual Report 1998-99

The transmittal letters of both departments recite the required information, with that of DOFA adding the useful rider that its report 'has also been prepared with a view to the introduction of accrual-based Portfolio Budget Statements in the 1999-2000 financial year'. The committee was previously advised of DOFA's intention to bring forward its reporting on an outcomes and outputs framework and regards its decision to produce a bridging report as eminently sensible under the circumstances.

The committee does regard as strange, however, DOFA's repeated insistence that it is a new department and that this is the new department's second annual report. While technically correct, it seems to infer that the current management disowns any responsibility for actions of the former separate departments of Finance and of Administrative Services, an inference which is supported by statements of DOFA officers in estimates. This is inappropriate, in the committee's view. Accountability does not stop when an agency changes name and acquires new functions and DOFA must be prepared to be aware of, to 'own' and, within reason, to account for activities and decisions in the financial and administration arena in the pre-DOFA days. By contrast, PM&C in its report harks back to its creation in 1911, and shows evidence in its dealings with the committee of a solid core of institutional memory and of a willingness to use it.

DOFA and PM&C present contrasting approaches to coverage of their respective portfolios in the annual reports. PM&C discloses its programme structure in a single table and makes no further mention of the other portfolio agencies; DOFA provides a helpful chapter outlining the broad areas of responsibility of the portfolio and of the individual agencies within it. How portfolio departments handle portfolio reporting is an optional feature of the present and proposed reporting requirements. The committee notes its preference for the Finance and Administration model but accepts that it is not equally applicable to all portfolios.

Neither report has a chapter specifically identifiable as the chief executive's overview. For the time-pressed, such overviews highlighting briefly the achievements of the year under review and the obstacles faced are particularly useful. PM&C does, however, come close in all but name, with its unattributed 'The Year in Review' in the context of its corporate overview. DOFA's 'Introduction' is a little too brief to meet the requirement.

Both agencies took to heart Parliament's expressed interest in corporate governance issues, with in DOFA's case a separate chapter on the subject. PM&C incorporated its corporate governance information in a broader chapter dealing with the former 'corporate services' information and matters on which the department is statutorily required to report, including inter alia social justice, internal and external scrutiny, occupational health and safety and discretionary grants. DOFA included this kind of information in appendices, an editorially neater approach but one which may attract less attention to the substance of the reporting.

Both DOFA and PM&C provided for each outcome/program a brief outline of activities. At times, relevant process issues that the committee had explored on previous occasions were addressed, as in the case of the working conditions of staff involved in the preparation of the Budget. Both departments were suitably forward-looking, mentioning where appropriate initiatives expected to come to fruition in the coming years and strategies for achieving desired policy outcomes.

PM&C's 'performance outcomes' continued to be variants on the 'what we did' theme, supplemented by statements such as the following:

Throughout 1998-99 the Social Policy Group received feedback from the Secretary, Senior Executives and the Prime Minister's Office about its performance, by means of regular meetings, periodic performance reviews through the performance appraisal process, and formal and informal assessment of performance.

Sub-programme 1.2 was assessed as having provided effective advice, briefing and support on social, indigenous and women's policy matters, with quality advice, information and administrative support for presentation of the Government's decisions in these areas.¹

The first paragraph should be a 'given' in any departmental situation, yet is repeated for each sub-program. The distinction raised in the second paragraph between policy advice/briefing/support and the presentation of the decisions of government is an interesting one, again repeated across sub-programs. Decoding the above statements, the committee interprets them as saying, 'the advice was ok, but what the department is good at is telling the government how to sell its decisions'. The issue of the independent assessment of the quality of the advice is not addressed in this context.

Possibly in recognition of this, PM&C's annual report includes a thoughtful essay on 'performance assessment of the policy advising function'. It reminds readers of the joint central agency working group report on the subject in 1992 and reiterates that group's major findings, including the existence of a variety of informal feedback mechanisms, but also notes:

While these informal mechanisms serve a worthwhile purpose within government, there is an issue of whether these informal mechanisms are sufficiently objective for the purposes of external scrutiny.²

In the committee's view, they are not. It notes, however, that PM&C states its commitment to moving to 'a more systematic and structured approach to assessing the quality of the department's work'.³

1 Department of the Prime Minister and Cabinet, *Annual Report 1998-99*, p. 46.

2 *ibid.*, p. 28.

3 *ibid.*, p. 30.

By way of contrast, DOFA counts and reports on almost every facet of its activities. In this bridging year, generalised reporting of performance highlights is provided under each outcome chapter while structured reporting against the old program framework is provided in an appendix. In an attempt to firm up reporting on levels of ministerial satisfaction, the department has devised a scheme of checkboxes on ministerial briefs and advice, on which the committee has commented previously.⁴ We learn on this occasion that the percentage of ministerial responses rated as 'excellent' has dropped from 38 to 34 per cent, but the percentage of briefs rated as 'excellent' has gone up from 27 to 44 per cent.⁵ One would like to think that the changes in the latter case were attributable to intrinsically higher quality briefs and not to changes in the expectations of the ministers' offices. And in the interests of transparency, what percentage of ministerial briefs or responses were rated as truly awful? Or were they merely not rated but sent back with a request that the department try again?

As has always been the case, activity statements masquerade as performance assessment. The fact that 'single shareholder arrangements ... were implemented' is admirable, but it is a statement of activity, not a measure of how efficiently the arrangements were implemented. Clearly, there are occasions when finding out how efficiently business was conducted would in itself be cost-inefficient. What the committee wants to see, clearly separated, is 'what we did', 'what we did this year compared with last year and the year before' (if relevant) and, where possible, how that compared with the quality, quantity, timeliness and cost targets set, along with a narrative explanation for the result.

Both DOFA and PM&C provided the required staffing information in appendices to their reports. This was amplified, in the case of PM&C, with a segment in the body of the report on 'people management' generally, while DOFA considered the 'management of human resources' in the context of corporate governance, highlighting specific initiatives such as the opening of a mothers' room. PM&C disclosed that only its SES staff was employed under Australian Workplace Agreements (AWAs) while DOFA reported that a key feature of its employment framework was the direct engagement of staff and that 32 per cent were on AWAs. DOFA also reported on a longer-term incentive plan to attempt to retain key staff in the face of strong competition from other employers, a plan involving the payment of bonuses at the completion of agreed periods of employment to a limited number of key staff. The problem of retaining in the public sector competent lawyers, accountants and auditors, when commensurate rates of pay in the private sector are considerably higher, is a long-standing one, not easily resolved. If bonus payments are deemed to be the solution, then a necessary corollary would be the disclosure of the quantum of the bonus payment, the number and level of officers involved, their duties, and the actual retention levels achieved by this means.

4 Senate Finance and Public Administration Legislation Committee, *Report on 1997-98 Annual Reports: Report One*, March 1999, p. 6.

5 Department of Finance and Administration, *Annual Report 1998-99*, p. 50.

One indicator of a good annual report is the open disclosure of problems which have occurred in the year under review, along with the methods of ensuring that they do not recur. DOFA appropriately discloses the much-publicised alleged fraud case and, in the broad, actions taken to recover the funds and to tighten internal controls.

It is axiomatic that annual reports report on specifics of the year under review. PM&C's Government Communications Unit did not do so. It provided instead a useful summary of its history and how it operates in general, but addressed 1998-99 activities fleetingly only once. Curiously, some compliance monitoring by the unit was disclosed in the departmental accountability chapter, but not in the segment devoted to the unit. The performance indicators for the unit, of the 'degree of ministerial satisfaction' kind, are unlikely to produce data that will assist the committee to understand the efficiency or effectiveness of the unit's operations when it knows nothing tangible of what the unit did.

Both departments' financial statements were unqualified. Both managed to carry over their full ten per cent running cost allowance. DOFA disclosed, in notes to the accounts, a considerable number of unquantifiable contingencies, mainly relating to the sale of government businesses, and explanations for material variances for annual and special appropriations. The notes to the accounts also disclosed details of executive remuneration, which provided an interesting contrast between the two agencies. Total remuneration for the 40 DOFA officers receiving more than \$100,000 was \$6.7 million, compared with 28 PM&C officers at \$3.7 million; DOFA provided \$404,503 of that by way of performance pay, compared with \$86,823 for PM&C; while DOFA continued to pay out large sums to separating or redundant officers - \$2.7 million over the last two years, compared with \$193,099 in PM&C. A number of worrying conclusions could be drawn from these figures, in terms of Australian Public Service cohesion, but given the current references committee inquiry into such matters, this committee will leave the issues for its colleagues to explore.

Consultancy information was provided in an appendix by PM&C, for contracts let during 1998-99 to the value of \$2000 or more. This was supplemented by a segment in the public accountability chapter, outlining the number of consultants engaged, total expenditure on consultancies for this and the preceding two years, and the distribution by division. DOFA opted to provide only summary information in an appendix, though the committee notes it does provide the full listing on its web site. It did not compare 1998-99 expenditure with the previous year. The proposed changes to the reporting requirements mandate the disclosure of consultancy information, but not the method. The committee has in the past advocated an electronic listing, which can be kept up to date, though it notes that this year, some of its members displayed a preference for the hard copy annual report version.

Information was provided by both PM&C and DOFA on competitive tendering and contracting initiatives. PM&C described the process by which it market-tested a suite of corporate and support services for itself and a number of portfolio agencies and the final contract with CanDeliver for accounts processing, salaries and leave processing and rehabilitation case management only, at an ongoing cost stated to be 32 per cent

lower than the previous baseline costs. The committee has subsequently learnt that CanDeliver was wound up in November 1999, with losses exceeding \$1 million. DOFA has outsourced the entirety of its corporate support services, the first Commonwealth agency to do so, to a number of different service providers. It reported that it had achieved cost savings and improved services. Given the significance in policy terms of the change, further detail would have been appreciated. No mention was made of any difficulties with any of the contracts involved.

Inevitably the disparity in outsourcing experiences of the two agencies invites comparison and questioning. Why, for example, was outsourcing PM&C's property management not cost-effective but DOFA's was? Did it mean that PM&C in-house property management staff ran a tight ship and DOFA's did not? Is it possible to benchmark, for example, property management costs across the public service, so that Parliament or the Auditor-General can identify the efficient agencies?

Very few agencies tabled corrigenda to their annual reports. DOFA did so, on 30 November 1999. The error disclosed was a slight one, relating to the amount of performance pay paid to SES Band A officers. The committee is pleased to see such inadvertent errors corrected.

Reports under the Commonwealth Authorities and Companies Act 1997

As part of the suite of changes to the Commonwealth regulatory, accounting and accountability framework enacted in 1997, the Commonwealth Authorities and Companies Act (CAC Act) brought together, strengthened and simplified the diverse reporting requirements for Commonwealth bodies having the legal capacity in their own right to acquire ownership of assets. The changes were modelled on the comparable areas of Corporations Law, as well as best practices applying to individual authorities. Annual reporting for Commonwealth authorities is mandated under section 9 of the Act, and for Commonwealth companies, under section 36, as is the requirement for the responsible minister to table the reports or financial statements. Schedule 1 spells out briefly what the contents of the annual report of a Commonwealth authority are to be: a report of operations, prepared by the directors in accordance with the Finance Minister's Orders; financial statements; and the Auditor-General's report on those statements. It is noted that the report may include other matters required by another Act or by ministerial guidelines. Part 2 of the Commonwealth Authorities and Companies Orders, dated 17 August 1998, spells out in broad terms what the form and content of the 'report on operations' is to contain.

While not wishing to labour the point, the committee questions whether the Commonwealth authorities whose reports it reviews have actually taken notice of these orders, apart from the technical financial and auditing requirements. The reports tabled under the CAC Act bear an uncanny resemblance in style and substance to those tabled under the previous reporting regime. As general guidance, the committee highlights for all some of the salient points of the orders:

(1) The report of operations must be constructed having regard to the interests of users. Information in the report must be relevant and reliable and should be concise, readily understandable and balanced ...⁶

and

- (1) The report of operations must include the following information:
- (a) a review of how the Commonwealth authority has performed during the financial year in relation to:
 - (i) its statutory objects and functions, as the case requires; and
 - (ii) its corporate plan, where applicable; and
 - (iii) its principal outputs and contribution to outcomes; and
 - (b) factors, events or trends influencing its performance over the financial year and in the future, including the risks and opportunities that it faces and the strategies adopted or proposed to be adopted to manage those risks and opportunities; and
 - (c) significant events referred to in section 15 of the CAC Act that have taken place during the financial year; and
 - (d) the operational and financial results of the authority during the financial year, including:
 - (i) its principal outputs; and
 - (ii) major investing and financing activities; and
 - (iii) key financial and non-financial performance indicators; and
 - (e) significant changes in the authority's state of affairs or principal activities that have occurred during the financial year; and
 - (f) developments since the end of the financial year, giving particulars of any matter or circumstance that has arisen and has significantly affected or may significantly affect:
 - (i) the authority's operations in future financial years; or
 - (ii) the results of those operations in future years; or
 - (iii) the authority's state of affairs in future financial years.
- (2) The assessment of performance required under paragraph (1)(a) should;
- (a) address both efficiency and the effectiveness of the operations of the Commonwealth authority in producing its principal outputs; and
 - (b) make clear links between outcomes, strategies for achieving those outcomes and the principal outputs.⁷

Not all CAC Act agencies even acknowledge that fact in the body of their reports (although they are meticulous in doing so in the directors' statements attached to the financial statements) or in a letter of transmittal to the minister. The report of the Aboriginal and Torres Strait Islander Commercial Development Corporation is a welcome exception, clearly stating in its transmittal letter that the report is submitted in accordance with section 9 of the CAC Act and 'the contents are reflective of the standards required by the Commonwealth Authorities and Companies Orders 1998'. The Tiwi Land Council also states its requirements under the CAC Orders and that it

6 Commonwealth Authorities and Companies Orders 1998, Division 1, Section 6.

7 Commonwealth Authorities and Companies Orders 1998, Division 2, Section 10.

believes its report meets them. ATSIC endeavours to meet both the CAC and the departmental reporting requirements.

It could be that confusion exists as to the relative weight that should be placed on specific reporting requirements under agencies' enabling legislation and those imposed by the CAC Act, though for the most part the former relate exclusively to the requirement to report and do not prescribe the nature or contents of that reporting.

Overviews

Most of the reports of Commonwealth authorities reviewed by the committee commence with a report or overview by the authority Chair. This is a feature the committee strongly supports, particularly when it appears to have the personal touch of the Chair, and when it highlights the positives and eschews the overtly polemical. The reports of Max Stuart, Chairman of the Central Land Council, and of John Abednego, Chairperson of the Torres Strait Regional Authority, stand out as models. It is quite appropriate, in the committee's view, for a Chair in his or her final term to take the opportunity to reflect on the successes and disappointments of the whole chairmanship period, as did Gatjil Djerrkura of ATSIC.

In some cases, the committee noted considerable overlap between the information contained in the chair's report and that of the general manager or chief executive. ATSIC handled the distinction well, with the chairman addressing the political dimensions and chief executive Mark Sullivan providing a lengthy but comprehensive overview of the organisation, of the complex governmental infrastructure in which it works, of the scope and limitation of its programs, achievements and directions for the future.

Review of operations

Most agencies provided acceptable coverage of their activities during the year under review to meet their statutory objectives and functions. The report of the Australian Institute of Aboriginal and Torres Strait Islander Studies (AIATSIS) does this precisely and economically. It cites a review of Institute research functions which reinforced the centrality of research to Institute operations, then clearly outlines research undertaken in the year under review and provides, in an appendix, details of grants awarded.

The report of the Aboriginal Land Commissioner combines a useful summary of activities with a commentary on problems arising from the wording of the land rights legislation and suggestions as to how the situation can be redressed, particularly in cases when results have occurred which may not accurately express the original intention of Parliament. The inclusion of 'reasons for decisions' as appendices is useful in such cases.

A number of the CAC Act reports was from bodies affected in some way by the Reeves review of the *Aboriginal Land Rights (Northern Territory) Act 1976*. The committee commends the Aboriginal Land Commissioner for his clear delineation of the ways in which the Reeves recommendations, if adopted, would affect his future

operations. ATSIC and all the land councils addressed the findings of the review, the processes associated with the House of Representatives committee inquiry into the review, and their own perceptions of the effects of the Reeves proposals, if implemented, on Aboriginal land rights.

Performance information

ATSIC has taken a useful lead in promoting the setting of performance indicators and reporting against them, albeit rather wordily. The reporting on the quantitative aspects of the Community Development Employment Projects (CDEP) scheme covers most relevant aspects of the scheme, including the number of communities and individuals participating, broken down by age and gender; the geographic spread of CDEPs; the number of income-generating activities undertaken; a breakdown by specific industries; and the numbers leaving the scheme for mainstream employment. Comparisons are provided with figures for previous years. The social, economic and cultural benefits of the scheme are inevitably harder to assess, as evidenced by statements such as ‘there is general agreement that the scheme has improved community self-esteem and pride’.⁸ To give a flavour of the range of outcomes achieved, the report provides narrative snapshots of four of the schemes. ATSIC’s reporting on CDEP is enhanced by its willingness to address the recommendations of the Spicer review, which advocated strengthening the focus on commercial and employment outcomes; and by its stated intention to work to overcome the use of CDEPs as a substitute provider of essential services.

Few other CAC Act reports made structured attempts to assess how well they had performed in progressing towards their goals. While this is only one part of the suite of reporting requirements, the committee believes the setting of performance goals and the reporting against them by public sector agencies is a useful display of accountability. While in the short term not all will be able to reach the level of sophistication of ATSIC performance reporting, that is the direction in which they should be heading.

Ministerial directions

CAC Act agencies are specifically required to report on instances when a minister may have directed them to do something. In the 1998-99 reports, only one such ministerial direction was outlined: ATSIC reported that the Minister for Aboriginal and Torres Strait Islander Affairs had, for only the second time in ATSIC’s history, issued a direction, on this occasion prohibiting the Commission from making grants or loans to organisations that did not provide access to their financial records. ATSIC went on to explain how it had implemented the direction, internally and externally.

Lack of reporting of ministerial directions presumably implies that there were none. To guard against an accidental oversight here, the committee would like to see each relevant agency record the fact that no ministerial directions were issued in the year

8 ATSIC 1998-99 Annual Report, p. 56.

under review. The Council for Aboriginal Reconciliation is to be commended for thinking to do so.

Presentational standards

As indicated in the previous chapter, the committee's particular interest is in the information contained in annual reports, not their appearance. Nevertheless it could not fail to note the high quality of presentation of the report of the Torres Strait Regional Authority and the clarity of the photographs it contained.

Other reports

The committee selected for specific review on this occasion only one other report, that of the Council for Aboriginal Reconciliation, a statutory body set up under the Aboriginal Reconciliation Act 1991 and with a secretariat provided by the Department of the Prime Minister and Cabinet.

The Council for Aboriginal Reconciliation Annual Report 1998-99

The Council for Aboriginal Reconciliation has consistently produced informative annual reports and this one is no exception. It is heavily activity-oriented, but that is both understandable and appropriate on the part of such an agency, where process is so important. This is not to suggest that the Council neglects its performance assessment obligations. It bravely puts forward performance indicators such as 'measurable improvements in the political and cultural well-being of Indigenous Australians' while reflecting that such an indicator measures the achievement of the nation as much as it measures the performance of the Council. The more tangible indicators of performance, such as 'increased community support for Australians for Reconciliation activities' are both appropriate and well reported on.

The Council incorporates much useful administrative information: funding and staffing matters are not neglected; details of Council meetings and members' speaking engagements are provided; as are lists of persons invited to attend reference group meetings, along with actual attendance.

The Council operates in a highly sensitive area and yet has managed to produce a report which calmly and positively reports progress towards its goals, which recognises the obstacles ahead and addresses them frankly and without rancour.

CHAPTER 4 – REPORTS ON THE INTERNET

Introduction

The Prime Minister's December 1997 Industry Statement, *Investing for Growth*, announced the government's commitment to a range of measures including delivering all appropriate Commonwealth services electronically by 2001 and ensuring that government on-line information is discoverable and retrievable. The committee supports the use of the Internet for purposes of accountability reporting and commends the bodies who have made their annual reports available on their web sites.

Websites

Most bodies whose annual reports were examined by the committee have now developed websites: 26 out of 33 bodies. The bodies for which a website could not be located were in all cases modestly sized and resourced. However, the committee hopes to see even these smaller agencies go on-line with a link to the executive department in the portfolio. A website need not be elaborately designed but should contain core information, such as contact information, agency background, and major publications, including the annual report. The ease and speed of access to information provided by the Internet is such a major communications advance that the committee would like to see it exploited for purposes of accountability as well.

In surveying the annual reports available on-line, the committee briefly noted the website design and structure for each agency. This was not done in detail but general observations were recorded, including any obvious shortcomings. The committee was pleased to see that websites catered for the potentially wide-ranging audience with varying access modes, computers and software. The use of a text-only version alternative for highly graphic sites, such as is provided by DoFA, is commendable. Although the committee found most sites well designed with clear structures it was good to see that many also provide a search function and site map on the homepage to assist with navigation. Many sites made available links for downloading the latest version of free software, such as Adobe Acrobat Reader, required to read certain formatted documents, including the reports of the Australian Electoral Commission and the Commonwealth Ombudsman.

The committee was pleased to see evidence of regular monitoring of websites. PSMPC reported that their website had been simplified during the year and more efficient navigation provided.¹ ComSuper also reported on a number of enhancements introduced to improve accessibility to their Internet site including comprehensive searching facilities and restructuring of the menu hierarchy.² The Parliament of Australia website is currently under review to improve its effectiveness in meeting

1 Public Service Commissioner, *Annual Report 1998-99*, p. 48.

2 Commissioner for Superannuation, *Annual Report 1998-99*, p. 75.

user needs. Users wishing to assist in the process are invited to complete a short survey on-line.

It is encouraging to see agencies now utilising their websites for the dissemination of a wide range of information including corporate documentation and other published material relevant to the work of the agency. The following documents on agency activity and accountability were found on various sites: portfolio budget and additional estimates statements, corporate plans, lists of consultancies and certified agreements as well as reports, papers, guidelines of various description and media releases.

The ComSuper report outlined progress on some new Internet facilities including on-line submission of benefit applications, replacement information statements and distribution of newsletters via email. The report emphasised however, that the Internet is an effective but secondary means of distribution of information to members. As well as complementing printed items the Remuneration Tribunal is now making the Internet the primary source for some information. It reported that its website 'replaces the annual book of Tribunal decisions and reports previously published and distributed through Australian Government Information Shops'.³

Having gone to the trouble of setting up a web site, agencies should keep it up to date. When the committee did a preliminary check it found that at least six bodies with websites had earlier annual reports available but not the one for 1998-99. Part of the value of information on the Internet is currency, which to the committee means that annual reports should be available very shortly after their tabling in the Parliament.

Location

The committee was generally impressed with the design of websites and was able to locate most reports readily. Most agencies had their annual reports directly accessible from their homepage or one level down on their hierarchy. Some sites cross indexed the report and provided alternative paths to it.

Previous reports available

In this year's scrutiny of annual reports on the Internet the committee noted the agencies which retained copies of earlier annual reports on their website. Most agencies had the previous one or two reports available, probably reflecting the fact that agencies have only been loading reports for the last few years and so in most cases had left their previous reports on-line. However it appears that at least one agency (the AEC) has moved in the direction of making available only the most recent report and removing the previous one. Some agencies have gone to the trouble of loading reports which pre-dated the introduction of the Internet. The Inspector-General of Intelligence and Security had the previous 12 available, the Council for Aboriginal Reconciliation had the previous five and ATSIC had the previous four

3 *Remuneration Tribunal Annual Report 1998-99*, p. 5.

reports on-line. The committee considers it useful to have at least the previous two annual reports available. It expects that future versions of the annual report requirements will provide guidance on this score.

Format

Nineteen of the reports examined were available on-line. Twelve were available in Portable Document Format (PDF), three in HyperText Markup Language (HTML) and four (the reports of ComSuper, the Commonwealth Superannuation Scheme (CSS Board), JHD and DoFA) were available in both PDF and HTML. Another feature in the presentation which may affect users is the size of the files available for downloading. Reports larger than 50 pages in length which are divided into separate files allow for faster downloading and are helpful to users with slower machines or who are time charged for Internet connection. Several agencies, such as the Commonwealth Ombudsman, ATSIIC, the Department of the Senate and the AEC, presented their larger sized reports in this manner. While this is a particularly useful feature, if taken to extremes it can actually be a hindrance. One agency's report divided chapters into unnecessarily short documents, with a chapter of three pages in length having five separate HTML files. The indication of file size is a particularly useful feature for users contemplating downloading the larger reports contained in a single file. AIATSIIS and the AEC provided this information.

Most agencies had the complete or virtually the complete report available. If a significant part of the report is not available a note to that effect would be a useful feature. A common element missing from reports that were incomplete was the financial statements.

Most reports were presented accurately and were exact replicas of the printed version. This is commendable considering the sometimes detailed formatting and the inclusion of graphs, charts, copies of correspondence and photographs. The committee noted that, at the time the committee reviewed it, the Commonwealth Ombudsman's on-line report contained a number of errors including incorrect page numbering and omissions. Other minor errors or omissions were detected with other reports but overall the presentation was impressive. The committee noted that the date of the letter of transmittal of the report to the minister varied between the printed and Internet version of the AEC report.

The committee was particularly pleased that some agencies used features such as links and bookmarks which allow for more efficient use of and navigation within the document. The HTML version of the report of the CSS Board linked the table of contents and index to the relevant areas of the report as well as providing links throughout the report to pages/sections referred to. The PDF version of the same report was also one of the few that utilised the PDF bookmarks feature which again provides useful assistance in navigating within documents. Similarly, the report of the Inspector-General of Intelligence and Security linked the compliance index with the relevant areas of the report. The Remuneration Tribunal provided very useful links within its report to other on-line documents referred to, such as its Determinations

throughout the period under review, as well as links to other agencies' homepages. The inclusion of these features, though a relatively simple process, does require more work at the formatting stage; however if included is extremely useful to the user.

Senator Brett Mason
Chairman

APPENDIX

Senate tabling dates

Name of agency or report	Date tabled*
Aboriginal and Torres Strait Islander Commercial Development Corporation	07/12/1999
Aboriginal and Torres Strait Islander Commission	(28/10/1999) 22/11/1999
Aboriginal Hostels Limited	19/10/1999
Aboriginal Land Commissioner	19/10/1999
Aboriginals Benefit Reserve	12/10/1999
Anindilyakwa Land Council	30/11/1999
Auditor-General	19/10/1999
Australian Electoral Commission	23/11/1999
Australian Institute of Aboriginal and Torres Strait Islander Studies	19/10/1999
Australian Political Exchange Council	20/10/1999
Central Land Council	24/11/1999
Commissioner for Superannuation (ComSuper)	20/10/1999
Commonwealth Grants Commission	20/10/1999
Commonwealth Ombudsman	20/10/1999
Commonwealth Superannuation Scheme (CSS Board)	20/10/1999
Council for Aboriginal Reconciliation	20/10/1999
Department of Finance and Administration	20/10/1999
Department of Parliamentary Library	21/10/1999
Department of the Parliamentary Reporting Staff	(28/10/1999) 22/11/1999
Department of the Prime Minister and Cabinet	12/10/1999
Department of the Senate	30/09/1999
Employment National (Financial Statements)	23/11/1999
Essendon Airport Limited	21/10/1999
Indigenous Land Corporation	19/10/1999
Inspector-General of Intelligence and Security	19/10/1999
Joint House Department	18/10/1999
Members of Parliament (Staff) Act 1984 report on consultants engaged under s.4	23/11/1999
Northern Land Council	19/10/1999
Office of Asset Sales and Information Technology Outsourcing	(29/10/1999) 22/11/1999
Office of the Official Secretary to the Governor-General	19/10/1999
Official Establishments Trust	23/11/1999
Public Sector Superannuation Scheme (PSS Board)	20/10/1999
Public Service Commissioner (incorporating the Merit Protection & Review Agency)	20/10/1999
Remuneration Tribunal	20/10/1999
Sydney Airports Corporation Ltd	21/10/1999
Tiwi Land Council	30/11/1999
Torres Strait Regional Authority	12/10/1999

* Dates in brackets indicate that the report was presented out of session to the President.