
Finance and Public Administration
Legislation Committee

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Senator the Hon John Faulkner	ALP, NSW
Senator the Hon William (Bill) Heffernan	LP, NSW

Former member of the Committee (*to 30 June 2002*)

Senator Ross Lightfoot	LP, WA
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Participating members (*from 1 July 2002*)

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Introduction

1.1 Under Senate Standing Order 25(21) the annual reports of departments and agencies stand referred to legislation committees in accordance the allocation of departments and agencies in a resolution of the Senate. 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.

1.2 In accordance with Procedural Order of Continuing Effect No. 1, relating to the allocation of departments and agencies to Committees and last amended by the Senate in the 40th Parliament on 13 February 2002, the Finance and Public Administration (F&PA) Committee has responsibility for the oversight of the following:

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

Reports examined

1.3 Standing Order 25(2)(b) requires the Committee to inquire into and report upon annual reports referred in accordance with departments and agencies allocated. For reports tabled by 31 October each year the Committee's report must be tabled by the tenth sitting day of the following year. Reports tabled after 31 October and by 30 April each year are to be reported on by the tenth sitting day after 30 June of that year, in this instance 17 September 2002.

1.4 On 21 March 2002 the Committee tabled its first report on the 2000-2001 annual reports. This report reviewed annual reports tabled or presented to the

President by the end of 2001. Between 1 January 2002 and 30 April 2002 the following reports were tabled and referred to the Committee:

Non-statutory bodies

- Australian Political Exchange Council; and
- Official Establishments Trust.

Commonwealth Companies, including Government Business Enterprises

- Essendon Airport Ltd; and
- National Australia Day Council.

1.5 In its first report on the 2000-2001 annual reports, the Committee noted that the annual report of the Australian Political Exchange Council was not tabled until 13 February 2002. The Council has explained that finalisation of the report was deferred until announcements of the Ministry and other Office-holders were made following the Federal election, so that these appointments could be acknowledged in its Appendix of prominent former delegates. The Committee would like to clarify that while its terms of reference require the Council to report regularly to Parliament, there is no statutory requirement for the Australian Political Exchange Council to prepare or table an annual report. The Committee appreciates the efforts of the Council in keeping Parliament informed of its activities by preparing and tabling an annual report.

1.6 The annual report of the Official Establishments Trust was tabled on 12 March 2002. The Committee notes that there is no statutory requirement for the Official Establishments Trust to present an annual report to Parliament. However, the Committee appreciates the efforts of the Trust in preparing and tabling an annual report on its activities, as this contributes to improved transparency and accountability.

1.7 The Committee notes that Essendon Airport Ltd was sold to Edglear Pty Ltd on 17 September 2001 and thus the Committee will not be reviewing its annual report in future. As the company was sold before Statements of Corporate Intent (SCIs) for Government Business Enterprises were due, no SCI for Essendon Airport was tabled.

1.8 The Committee notes that the annual report of the National Australia Day Council provided a good account of its activities over the 2000-2001 financial year. However, the Committee considers that it may have been appropriate in light of financial difficulties encountered during the year to include a reference to KPMG's report on the financial position of the Council

Satisfactoriness of reports

1.9 The Committee considers that all the reports it examined were apparently satisfactory. Financial statements in the reports of both Commonwealth Companies examined included an unqualified report by the Auditor-General.

Timeliness

1.10 As mentioned in its first report on the 2000-2001 annual reports, the Committee notes that the annual report of Essendon Airport Ltd was late, as it was not tabled until 13 February 2002. Commonwealth companies are required under section 36 of the *Commonwealth Authorities and Companies Act 1997* to provide to the responsible Minister a copy of their annual report containing the annual general meeting documents at least 14 days before each annual general meeting. If there is no such report then the annual general meeting documents must be provided. If the company is wholly Commonwealth owned the Minister must table these documents as soon as practicable after receiving them. The annual general meeting of Essendon Airport Ltd was held on 17 September 2001, and the company's annual report was not submitted to the Minister until 18 January 2002. The Committee is aware that the sale of Essendon Airport Ltd was finalised on the same day as its annual general meeting, and that this may have contributed to the delay.

1.11 The Committee also notes that the National Australia Day Council's annual report was late, as it was not tabled until 12 March 2002. The annual general meeting of the National Australia Day Council was held on 23 August 2001, and its annual report was not submitted to the Minister until 13 February 2002.

1.12 As mentioned earlier, the Committee notes that neither the Australian Political Exchange Council or the Official Establishments Trust is required to table annual reports by a certain date.

Non-reporting bodies

1.13 Under Standing Order 25(21)(h) the Committee is required to report to the Senate on whether there are any bodies which do not present annual reports to the Senate and which should present such reports. The Committee is not aware of any such bodies, but will keep this matter under review.

Senate debate

1.14 The financial situation of the National Australia Day Council, and details of its transfer to the Prime Minister and Cabinet portfolio and changes to board membership were raised at the Committee's Estimates hearing on 28 May 2002.

Senator Brett Mason

Chair