

The Senate

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Rural and Regional Affairs  
and Transport  
Legislation Committee

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Annual reports (No. 1 of 2019)

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# Membership of the committee

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# Chapter 1

## Overview

1.1 The Senate Rural and Regional Affairs and Transport Legislation Committee's (the Committee) report on annual reports provides an overview of the Committee's examination of annual reports for the 2017–18 financial year, tabled between 1 May 2018 and 31 October 2018. The Committee is responsible for examining the annual reports of departments and agencies within the portfolios of:

- Agriculture and Water Resources; and
- Infrastructure, Regional Development and Cities.<sup>1</sup>

1.2 This is the first of two reports on annual reports the Committee is required to produce in 2019.

### Terms of reference

1.3 Under Senate Standing Order 25(20), annual reports of departments and agencies shall stand referred to the legislation committees in accordance with an 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 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.
- (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.

### Purpose of annual reports

1.4 The tabling and scrutiny of annual reports by Senate committees under Standing Order 25(20) is an important element in the process of government

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1 *Journals of the Senate*, No. 2, 13 November 2013, pp. 88–89.

accountability to the Parliament. The information provided in annual reports is placed on the public record and assists the Parliament in its examination of the performance of departments and agencies and the administration of government programs.

### **Reports referred to the Committee**

1.5 In accordance with Standing Order 25(20)(f), this report examines the following annual reports, tabled in the Parliament or presented out of session and referred to the Committee between 1 May 2018 and 31 October 2018:

#### *Agriculture and Water Resources portfolio*

- Department of Agriculture and Water Resources: Annual Report 2017–18;
- Australian Fisheries Management Authority: Annual Report 2017–18; and
- Murray-Darling Basin Authority: Annual Report 2017–18.

#### *Infrastructure portfolio*

- Department of Infrastructure, Regional Development and Cities: Annual Report 2017–18;
- Civil Aviation Safety Authority: Annual Report 2017–18; and
- Australian Maritime Safety Authority: Annual Report 2017–18.

### **Annual reporting requirements**

1.6 The *Public Governance, Performance and Accountability Act 2013* (PGPA Act) established a performance reporting framework for all Commonwealth entities and companies. The performance framework is based on section 38 of the PGPA Act, which requires all Commonwealth entities to measure and assess their performance.

1.7 The performance framework established under the PGPA Act includes the requirement for Commonwealth entities to prepare a corporate plan and annual performance statements. The Public Governance, Performance and Accountability Rule 2014 (PGPA Rule 2014) contain the minimum requirements to be included.

1.8 Section 39 of the PGPA Act requires all Commonwealth entities to prepare an annual performance statement and include those statements in their annual reports. Entities use the annual performance statements to report on the results achieved against the targets, goals and measures established at the beginning of a reporting year in corporate plans and Portfolio Budget Statements.

1.9 Below is a summary of the legislative authority and requirements for the different types of bodies under which annual reports are prepared:

- Non-corporate Commonwealth entities: PGPA Act, section 46 and the PGPA Rule 2014, Division 3A(A); for portfolio departments and executive agencies, and for statutory bodies, relevant enabling legislation.
- Corporate Commonwealth entities: PGPA Act, section 46 and the PGPA Rule 2014, Division 3A(B); and for statutory bodies, relevant enabling legislation.



- Commonwealth companies: PGPA Act, section 97, which also refers to requirements under the *Corporations Act 2001* and the PGPA Rule, Part 3-3; and for statutory bodies, relevant enabling legislation.
- Non-statutory bodies: the annual reporting requirements are contained in the government response to the Senate Standing Committee on Finance and Public Administration's *Report on Non-Statutory Bodies*.<sup>2</sup>

## **Timeliness**

1.10 Standing Order 25(20)(c) requires the Committee to report to the Senate on the late presentation of annual reports. In assessing the timeliness of the presentation of annual reports, the Committee assesses the presentation against the requirements of different categories of bodies, the PGPA Rule 2014 and other legislative requirements.

### ***Commonwealth entities***

1.11 Section 46 of the PGPA Act requires the provision of an annual report of a Commonwealth entity to the responsible minister by the 15th day of the fourth month after the end of the reporting period for the entity. This section of the Act does not, however, provide for a timeframe for the minister to present the report to the Parliament.

### ***Commonwealth companies***

1.12 Section 97 of the PGPA Act sets out the requirements for the provision of annual reports of Commonwealth companies to the responsible minister. Under subsection 97(2) of the PGPA Act, a company is to provide a report:

- (a) if the company is required by the *Corporations Act 2001* to hold an annual general meeting—the earlier of the following:
  - (i) 21 days before the next annual general meeting after the end of the reporting period for the company;
  - (ii) 4 months after the end of the reporting period for the company; and
- (b) in any other case—4 months after the end of the reporting period for the company; or the end of such further period granted under subsection 34C(5) of the *Acts Interpretation Act 1901*.

1.13 Subsection 97(5) of the PGPA Act states:

(5) If the Commonwealth company is a wholly-owned Commonwealth company, or is not required to hold an annual general meeting, the responsible Minister must table the documents in each House of the Parliament as soon as practicable after receiving them. In all other cases, the responsible Minister must table the documents in each House of the Parliament as soon as practicable after the annual general meeting of the company.

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2 *Senate Hansard*, 8 December 1987, pp. 2642–45.

### ***PGPA Rule 2014***

1.14 The PGPA Rule 2014 states that annual reports for corporate Commonwealth entities, non-corporate Commonwealth entities and Commonwealth companies must comply with the *Guidelines for the Presentation of Documents to the Parliament*, which is prepared by the Department of the Prime Minister and Cabinet.<sup>3</sup>

1.15 The guidelines advise that for all entities:

As per past practice, it is expected that the responsible Minister will present the report to each House of Parliament on or before 31 October. If the Senate Supplementary Budget Estimates hearings are scheduled to occur prior to 31 October, it is best practice for annual reports to be tabled prior to those hearings. This ensures that annual reports are available for scrutiny by the relevant Senate standing committee.<sup>4</sup>

1.16 Entities reporting in accordance with their own legislation are often required to prepare for the relevant minister their annual report 'as soon as is practicable' after the end of the particular period to which the report relates. The Committee draws attention to subsections 34C(2) and 34C(3) of the *Acts Interpretation Act 1901*, which stipulate that where no date for providing a report to a minister is specified, the report should be presented no more than six months after the reporting period, and the minister must provide the report to the Parliament within 15 sitting days after the minister receives it.

### ***Timeliness of reports examined***

1.17 The presentation of annual reports to the Parliament has two elements with regard to timeliness: the furnishing of the report to the minister and the presentation of the report to the Parliament.

1.18 Appendix 1 sets out a complete list of documents referred to the Committee during the period 1 May 2018 and 31 October 2018.<sup>5</sup> This appendix includes references to the relevant legislation, the letter of transmittal dates, the dates on which the annual reports were sent to, and received by, the relevant minister, and the dates on which the annual reports were tabled in both the House of Representatives and the Senate.

1.19 The Committee notes 19 entities presented their report to the responsible minister by 15 October 2018. With respect to the tabling of annual reports, 19 were tabled by the minister by 31 October.

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3 See PGPA Rule 2014, sections 17AB, 17BC and 28C.

4 Department of the Prime Minister and Cabinet, *Guidelines for the Presentation of Documents to the Parliament (including Government Documents, Government Responses to Committee Reports, Ministerial Statements, Annual Reports and other Instruments)*, August 2016, pp. 4–5.

5 Reports were considered tabled and referred if they were tabled in either the House of Representatives or the Senate prior to 31 October, even if they may not have been tabled in the Senate until after that date.

1.20 The Committee will continue to monitor the timeliness of future annual reports.

**Apparently satisfactory**

1.21 Standing Order 25(20)(a) requires the Committee to report to the Senate on whether the annual reports of departments and agencies in its portfolio are 'apparently satisfactory'. In making this assessment, the Committee considers aspects including timeliness of presentation and compliance with the relevant reporting requirements.

1.22 The Committee considers that all annual reports referred during the reporting period were 'apparently satisfactory'. The following chapter examines selected annual reports in further detail.



## Chapter 2

### Annual reports of agencies

2.1 The Committee selected the annual reports of the following bodies for closer examination:

#### *Agriculture and Water Resources portfolio*

- Department of Agriculture and Water Resources;
- Australian Fisheries Management Authority; and
- Murray-Darling Basin Authority.

#### *Infrastructure portfolio*

- Department of Infrastructure, Regional Development and Cities;
- Civil Aviation Safety Authority; and
- Australian Maritime Safety Authority.

### **Department of Agriculture and Water Resources**

2.2 The 2017–18 Annual Report of the Department of Agriculture and Water Resources (DAWR) was tabled in the Senate on 15 October 2018. The report provides an overview of the activities and achievements of the department over the previous year.

#### *Secretary's review*

2.3 The Secretary, Mr Daryl Quinlivan, identified the department's key achievements, including:

- strengthening research and development capability through the Regional Investment Corporation grants;
- providing expert advice on technical market access to open new international markets for commodities;
- broadening the Water Efficiency Labelling and Standards (WELS) scheme to include water efficiency measures in new buildings;
- delivering the sustainable agriculture initiatives under the National Landcare Program; and
- responding to biosecurity incursions, including white spot syndrome virus in prawns, brown marmorated stink bugs in New South Wales and Western Australia, and citrus canker in the Northern Territory and Western Australia.<sup>1</sup>

#### *Purpose, strategic objectives and performance*

2.4 DAWR identifies its purpose as helping to:

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1 Department of Agriculture and Water Resources, *Annual Report 2017–18*, pp. 2–5.

...drive a stronger Australian economy by building a more profitable, resilient and sustainable agriculture sector, and by supporting the sustainable and productive management and use of rivers and water resources.<sup>2</sup>

2.5 DAWR has five strategic objectives, which guide its key programs and projects:

- building successful primary industries;
- expanding agriculture, fisheries and forestry exports;
- sustaining water and other natural resources;
- managing biosecurity and imported food risk; and
- building an efficient and capable department.<sup>3</sup>

2.6 Within these strategic objectives, the department has 35 performance measures and 64 targets. The department met 50 of its targets; substantially met 8; partially met 4; and no data was available for 2 targets.

*Strategic objective 1: Building successful primary industries*

2.7 DAWR measures its performance under this strategic objective through eight performance measures and 15 targets.<sup>4</sup>

2.8 The department identified a number of key developments under this objective. The Rural Research and Development for Profit program, currently at its half-way point, has disbursed grant funding of almost \$114.7 million.<sup>5</sup>

2.9 Improvements in the department's levy collection and management system during the year, including the introduction of levy payer registers for research and development corporations (RDCs), should promote greater contact between RDCs and levy payers to meet the challenges facing the farming sector.<sup>6</sup>

2.10 Following the release of the report, *Accelerating Precision Agriculture to Decision Agriculture*, the department will focus on innovation in digital agriculture, particularly the use of big data to increase profitability and improve farming strategies.<sup>7</sup>

2.11 DAWR administers concessional loans, financial counselling programs, and income support to assist primary producers experiencing hardship. A key element of these programs is encouraging farmers to prepare for and manage risk. The

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2 Department of Agriculture and Water Resources, *Annual Report 2017–18*, p. 8.

3 Department of Agriculture and Water Resources, *Annual Report 2017–18*, p. 9.

4 These are provided on pages 23–30 of the *Annual Report*.

5 Department of Agriculture and Water Resources, *Annual Report 2017–18*, pp. 2, 16, 19.

6 Department of Agriculture and Water Resources, *Annual Report 2017–18*, p. 21.

7 Department of Agriculture and Water Resources, *Annual Report 2017–18*, pp. 19–20.

department noted fewer than 20 farm businesses had applied to the Managing Farm Risk Program in 2017–18.<sup>8</sup>

2.12 During the reporting period, the Regional Investment Corporation became operational and will centrally administer farm business concessional loans and water infrastructure loans.<sup>9</sup>

*Strategic objective 2: Expanding agricultural, fisheries and forestry exports*

2.13 DAWR measures its performance under this strategic objective through five performance measures and six targets.<sup>10</sup>

2.14 In 2017, the department gained new market access for 29 commodities, improved access for 18 commodities, maintained 15 existing markets, and negotiated to restore seven commodities. A key outcome was the signing of 11 protocols with China.<sup>11</sup>

2.15 In May 2018, the department's network of overseas agricultural counsellors was expanded by six counsellors to 22. International counsellors assist in the achievement of the department's *International Strategy 2016–19*.<sup>12</sup>

2.16 The department issued more than 355,587 export certificates, and managed the export of more than 2,852,759 animals in 2017–18. Less than 1 per cent of consignments were rejected as a result of export certification failure during the reporting period.<sup>13</sup>

2.17 With regard to the regulation of live sheep exports, the department supported all the recommendations of the Independent Review of Conditions for the Export of Sheep to the Middle East during the northern hemisphere summer, released in May 2018. The department has also cooperated with another review into its regulatory capability culture. A further review is being conducted on the Australian Standards for the export of livestock.<sup>14</sup>

*Strategic objective 3: Sustaining water and other natural resources*

2.18 DAWR measures its performance under this strategic objective through nine performance measures and 13 targets.<sup>15</sup>

2.19 During the reporting period, the department delivered 16 pilot on-farm water efficiency upgrade projects in South Australia. DAWR also completed a draft plan for

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8 Department of Agriculture and Water Resources, *Annual Report 2017–18*, pp. 16–17, 29.

9 Department of Agriculture and Water Resources, *Annual Report 2017–18*, pp. 2, 16–17.

10 These are detailed on pages 37–40 of the *Annual Report*.

11 Department of Agriculture and Water Resources, *Annual Report 2017–18*, p. 32.

12 Department of Agriculture and Water Resources, *Annual Report 2017–18*, pp. 32–33.

13 Department of Agriculture and Water Resources, *Annual Report 2017–18*, p. 34.

14 Department of Agriculture and Water Resources, *Annual Report 2017–18*, p. 35.

15 These are detailed on pages 48–54 of the *Annual Report*.

the sustainable management of the Great Artesian Basin through to 2033; and published the updated National Water Quality Management Strategy on its website.<sup>16</sup>

2.20 The department is responsible for the sustainable agriculture initiatives under the National Landcare Program. Increased funding of \$100 million brought forward the first round of the Smart Farms Program grants to build sustainable primary industries.<sup>17</sup>

2.21 DAWR developed the Commonwealth Fisheries Policy Statement, which establishes objectives for the fisheries and aquaculture sectors and promotes the seafood industry. It finalised the National Aquaculture Strategy and established the National Recreational Fishing Council to improve dialogue between recreational fishers and government. The department also chaired the Pacific Islands Forum Fisheries Agency.<sup>18</sup>

2.22 The Aboriginal Way map, a special project initiated by the Aboriginal people of the Basin in 2006 and completed during the reporting period, provides a pictorial overview of the presence and significance of Aboriginal people in the Basin. It provides information on Aboriginal trade routes, language groups, stories and songlines.<sup>19</sup>

*Strategic objective 4: Managing biosecurity and imported food risk*

2.23 DAWR measures its performance under this strategic objective through six performance measures and 12 targets.<sup>20</sup>

2.24 The department has implemented a new surveillance framework for plant pests to ensure a coordinated and consistent approach to data collection, analysis and decision-making. It is also building the Biosecurity Integrated Information System and Analytics initiative to help identify and plan for risks and respond to incursions.<sup>21</sup>

2.25 Under the Plant Biosecurity Research Initiative, DAWR has established a new partnership between plant research and development corporations to strengthen plant biosecurity and minimise the risk of future threats to the sector.<sup>22</sup>

2.26 Antimicrobial resistance (AMR) is being addressed through a national AMR plan for the Australian animal sector. At this stage, the work of the department is focussed on developing a national surveillance system framework.<sup>23</sup>

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16 Department of Agriculture and Water Resources, *Annual Report 2017–18*, pp. 41–43, 52.

17 Department of Agriculture and Water Resources, *Annual Report 2017–18*, p. 46.

18 Department of Agriculture and Water Resources, *Annual Report 2017–18*, p. 47.

19 Department of Agriculture and Water Resources, *Annual Report 2017–18*, p. 44.

20 These are detailed on pages 63–72 of the *Annual Report*.

21 Department of Agriculture and Water Resources, *Annual Report 2017–18*, p. 57.

22 Department of Agriculture and Water Resources, *Annual Report 2017–18*, p. 60.

23 Department of Agriculture and Water Resources, *Annual Report 2017–18*, p. 61.



2.27 Australia maintains a 'favourable' pest and disease status. The department seeks to strengthen its risk-based management of biosecurity through the Compliance Based Inspection Scheme. Over the 2017 calendar year, the compliance rate for all food inspected was 98.6 per cent. The department is involved in responses to 16 pests.<sup>24</sup>

*Strategic objective 5: Building an efficient and capable department*

2.28 DAWR measures its performance under this strategic objective through seven performance measures and 18 targets.<sup>25</sup>

2.29 By implementing the *Science Strategy and Action Plan 2017–2020*, DAWR seeks to develop its science capacity and build the technical skills and scientific knowledge of its staff.<sup>26</sup>

2.30 During the reporting period, the department delivered an innovative Ranger App for use by Aboriginal and Torres Strait Islander Rangers working across the country's north. These rangers provide biosecurity surveillance data. The app has largely replaced paper reporting and data is now being collected more consistently across a range of locations and activities. This has also allowed for more accurate analysis.<sup>27</sup>

2.31 To deal with a forecast increase in demand for biosecurity and export regulatory services, the department is introducing an integrated inspector model and trialling innovative technologies, such as real-time high-throughput computed tomography (CT) scanning for passenger baggage.<sup>28</sup>

2.32 DAWR has also assessed it has reduced the regulatory burden on regulated entities by \$124.6 million.<sup>29</sup>

***Freedom of information requests***

2.33 In 2017–18, the department received 103 requests for access under the *Freedom of Information Act* (FOI Act), three requests for internal review, and two requests for external review. The department finalised 92 requests and three internal reviews.<sup>30</sup>

***Staffing information***

2.34 The department has 4,530 ongoing staff and 466 non-ongoing staff engaged across all states and territories, and internationally. Over 50 per cent of staff are

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24 Department of Agriculture and Water Resources, *Annual Report 2017–18*, pp. 63–68.

25 These are detailed on pages 80–90 of the *Annual Report*.

26 Department of Agriculture and Water Resources, *Annual Report 2017–18*, p. 74.

27 Department of Agriculture and Water Resources, *Annual Report 2017–18*, p. 79.

28 Department of Agriculture and Water Resources, *Annual Report 2017–18*, p. 88.

29 Department of Agriculture and Water Resources, *Annual Report 2017–18*, p. 90.

30 Department of Agriculture and Water Resources, *Annual Report 2017–18*, p. 110.

female; 1.9 per cent are Aboriginal and Torres Strait Islander; 1.9 per cent identify as having a disability; and 6.3 per cent are from non-English speaking backgrounds.<sup>31</sup>

2.35 The separation rate from the department was 8.5 per cent, compared to 7.5 per cent in 2016–17.<sup>32</sup> The department has also improved its results for employee engagement. The unscheduled absence rate was 14.0 full-time equivalent (FTE) days for 2017–18.<sup>33</sup> This compares to 14.5 FTE for 2016–17.<sup>34</sup>

### ***Financial information***

2.36 DAWR recorded a comprehensive loss of \$8.1 million in 2018 (compared to a \$2.4 million loss in 2017). Key financial details include:

- total expenses—\$818.8 million;
- total own-source income through sales of goods and rendering of services, interest, other revenue and gains—\$430 million; and
- total government revenue—\$380.7 million.

2.37 The department retains total equity of \$118.2 million.<sup>35</sup>

### ***Committee comments***

2.38 The Committee notes the following with regard to the requirements for annual reports under the PGPA Rule 2014 and the DAWR report:

- Subsection 17AJ(e) of the PGPA Rule 2014 requires the details of a contact officer. The DAWR report does not provide such detail.
- Paragraph 17AG(4)(c) of the PGPA Rule 2014 requires the report to provide information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the *Public Service Act 1999*. The DAWR report does not provide such detail. The report instead states on the page identified in the Compliance Index: 'remuneration negotiated through Australian Workplace Agreements or Individual Flexibility Arrangements can exceed the salary ranges for non-SES classifications'.<sup>36</sup>

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31 Department of Agriculture and Water Resources, *Annual Report 2017–18*, pp. 136–139.

32 The overall separation rate for the APS in 2016–17 was 7 per cent. Department of Agriculture and Water Resources, *Annual Report 2017–18*, pp. 136–139; Australian Public Service Commission, *Mobility and tenure 2016–17*, <https://www.apsc.gov.au/mobility-and-tenure> (accessed 7 February 2019).

33 The overall APS unscheduled absence rate was 11.4 FTE days in 2017–18. Australian Public Service Commission, *State of the Service Report 2017–18*, [https://www.apsc.gov.au/sites/g/files/net5296/f/18583\\_-\\_apsc\\_-\\_sosr\\_-\\_web.pdf](https://www.apsc.gov.au/sites/g/files/net5296/f/18583_-_apsc_-_sosr_-_web.pdf) (accessed 7 February 2019), p. 171.

34 Department of Agriculture and Water Resources, *Annual Report 2017–18*, p. 80.

35 Department of Agriculture and Water Resources, *Annual Report 2017–18*, p. 162.

36 Department of Agriculture and Water Resources, *Annual Report 2017–18*, p. 139.

- Subparagraph 17AG(4)(c)(i) of the PGPA Rule 2014 requires information on the number of SES and non-SES employees covered by agreements identified under paragraph 17AG(4)(c). The DAWR report does not provide, at the page number identified in the Compliance Index, clear information on the number of SES and non-SES employees covered by such agreements, if any.<sup>37</sup>
- Incorrect page numbers were provided in the Compliance Index for the following items:
  - 17AG(8) and 17AG(9)—correct page number is 105 (page number stated was 107)
  - 17AH(1)(d)—correct page number is 110 (page number stated was 115).

2.39 The report details the activities and achievements of the department. The Committee recommends the department ensures all information required by the PGPA Rule 2014 is provided with adequate detail.

2.40 As a means of further improvement, a summary of the department's performance measures and achievement of its targets would be a useful addition to future reports.

2.41 Despite some minor shortcomings, the Committee considers the DAWR annual report to be compliant with reporting requirements.

### **Australian Fisheries Management Authority**

2.42 The 2017–18 Annual Report of the Australian Fisheries Management Authority (AFMA) presented information on the operations and performance of the agency. The report was tabled in the Senate on 16 October 2018.

#### ***Chairman and Chief Executive Officer's review***

2.43 The Chair, Ms Helen Kroger, and Chief Executive Officer, Dr James Findlay, highlighted several aspects of AFMA's performance in managing Commonwealth fisheries, including:

- global best-practice sustainable fisheries management demonstrated by the recertification of the Northern Prawn Fishery by the Marine Stewardship Council;
- continuing work on ecological risk assessment and management through the Commonwealth Fisheries Harvest Risk Assessment and Bycatch Policies;
- maximising net economic returns to the Commonwealth by encouraging exploratory fishing, clarifying requirements around transshipping and addressing fisheries resource sharing;
- public information workshops to address illegal fishing; and
- simplifying the regulatory system through One Fishery.

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37 Department of Agriculture and Water Resources, *Annual Report 2017–18*, p. 139.

2.44 In the coming years, the authority will focus on ensuring sustainable and profitable fisheries; reducing the operational and cost burdens on industry; managing ecological and compliance risks; deterring illegal fishing; and improving engagement with stakeholders in fisheries management.<sup>38</sup>

### ***Goals and performance measurement***

2.45 AFMA has a single outcome:

...ecologically sustainable and economically efficient Commonwealth fisheries, through understanding and monitoring Australia's marine living resources and regulating and monitoring commercial fishing, including domestic licensing and deterrence of illegal foreign fishing.<sup>39</sup>

2.46 With regard to this outcome, AFMA has established a performance framework consisting of three goals:

- ensure the ecological sustainability of Commonwealth fisheries for the benefit of present and future generations of Australians;
- maximise the net economic returns from Commonwealth fisheries to the Australian community; and
- deliver effective, cost efficient and transparent management and regulatory arrangements.<sup>40</sup>

2.47 Within each of these goals, AFMA has performance targets. The authority measures its performance on ecological sustainability primarily by identifying the status of stocks, whether sustainably fished, subject to overfishing, high risk, or otherwise.<sup>41</sup>

2.48 For economic returns, the authority assesses whether stocks are managed to maximum economic yield targets.<sup>42</sup>

2.49 To assess its regulatory performance, the authority is focused on particular metrics. These include the number of suspected illegal entry vessels disposed of, the number of red tape reduction initiatives completed, the level of cost-recovery charges, and how many domestic compliance tasks were completed.<sup>43</sup>

2.50 Of AFMA's eight performance targets, five were met, and three were partially met.<sup>44</sup>

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38 Australian Fisheries Management Authority, *Annual Report 2017–18*, pp. 3–9.

39 Australian Fisheries Management Authority, *Annual Report 2017–18*, p. 142.

40 Australian Fisheries Management Authority, *Annual Report 2017–18*, pp. 20–21.

41 Australian Fisheries Management Authority, *Annual Report 2017–18*, p. 23.

42 Australian Fisheries Management Authority, *Annual Report 2017–18*, p. 26.

43 Australian Fisheries Management Authority, *Annual Report 2017–18*, p. 29.

44 Australian Fisheries Management Authority, *Annual Report 2017–18*, p. 21.

2.51 Over the coming years, the authority will implement a fisheries management strategy for each fishery, against which the authority will measure its performance. These strategies will:

- provide operational detail on how AFMA is pursuing the objectives of the *Fisheries Management Act 1991*;
- contain, in one location, the previously separate management strategies for commercial, general bycatch, and protected species; and
- improve transparency by aligning planning, implementation, reporting and evaluation processes.<sup>45</sup>

*Goal 1: Ecological sustainability*

2.52 No fisheries managed solely by AFMA were subject to overfishing during the reporting period. However, 83 species remain at potentially high risk after mitigation. The authority's target was a maximum of 50 species to remain at potentially high risk after mitigation. Seven stocks were assessed as overfished and requiring management. The authority's target was a maximum of six stocks assessed as overfished and requiring management.<sup>46</sup>

2.53 The introduction of a new ecological risk assessment methodology, alongside increased observer coverage and electronic monitoring, has improved AFMA's species information and data collection. This has contributed to a reduction in the number of 'potential high risk species'. Under AFMA's precautionary approach to assessing risk, the majority (or 85 per cent) of the species identified as potential high risk are designated as such because there is insufficient data about the biology of those species or catch information. The new ecological risk assessment model and increased data has resulted in many potential high risk species being reclassified as high risk or medium/low risk.<sup>47</sup>

*Goal 3: Management and regulatory arrangements*

2.54 AFMA successfully disposed of all apprehended foreign illegal fishing vessels. It also kept cost recovery charges below targets. However, not all red tape reduction initiatives were completed during the period under review.<sup>48</sup>

2.55 As part of AFMA's domestic compliance operations, 206 boat inspections and 102 fish receiver inspections were undertaken. The target of inspecting all 20 high risk boats was not achieved due to the diversion of resources to other higher priority risks. AFMA also pursued compliance through its targeted risk program, which examines quota evasion, failing to report interactions, and retention of protected and prohibited species.<sup>49</sup>

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45 Australian Fisheries Management Authority, *Annual Report 2017–18*, p. 83.

46 Australian Fisheries Management Authority, *Annual Report 2017–18*, p. 23.

47 Australian Fisheries Management Authority, *Annual Report 2017–18*, pp. 22–24.

48 Australian Fisheries Management Authority, *Annual Report 2017–18*, p. 29.

49 Australian Fisheries Management Authority, *Annual Report 2017–18*, pp. 31–32.

2.56 The authority continued to address foreign compliance issues, particularly through engagement with Regional Fisheries Management Organisations. It also conducted capacity building programs for officers in fisheries and police maritime units of several Pacific Island countries.<sup>50</sup>

2.57 AFMA officers participated in coordinated patrols with the Indonesian Ministry of Marine Affairs and Fisheries and the Indonesian Maritime Security Agency, BAKAMLA. AFMA officers also serve on United States Coast Guard patrols of the Federated States of Micronesia's exclusive economic zone. Officers have participated in operations and assisted patrol boat personnel based in Cook Islands, Tuvalu, Solomon Islands, Federated States of Micronesia, Papua New Guinea, Republic of the Marshall Islands, and Tonga. Officers deploy with partners in the Southern Ocean to monitor suspected incidents of illegal fishing.<sup>51</sup>

2.58 As part of ongoing work to improve fisheries management, AFMA has pursued co-management arrangements to encourage greater industry responsibility for fisheries sustainability. During the reporting period, AFMA partnered with the Northern Prawn Fishery Industry group to undertake scientific trials of new bycatch reduction devices and other scientific monitoring initiatives.<sup>52</sup>

### ***Staffing information***

2.59 AFMA has 180 employees: 155 ongoing and 25 non-ongoing. Employees are located as follows:

- Canberra (132);
- Darwin (20);
- Thursday Island (7); and
- on commercial fishing vessels as field observers (21).<sup>53</sup>

2.60 Of the authority's 180 staff: 71 are female; 50 are from non-English speaking backgrounds (born in Australia and overseas); one identifies as having a disability; and seven are Aboriginal and Torres Strait Islander.<sup>54</sup>

2.61 In 2017–18 there were three incidents that fell within the definition of a 'Dangerous Occurrence' under the Work Health and Safety legislation, and Comcare was informed accordingly. No notices or prohibition notices required AFMA to take remedial action.<sup>55</sup>

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50 Australian Fisheries Management Authority, *Annual Report 2017–18*, pp. 33–36.

51 Australian Fisheries Management Authority, *Annual Report 2017–18*, pp. 36–37.

52 Australian Fisheries Management Authority, *Annual Report 2017–18*, p. 39.

53 Australian Fisheries Management Authority, *Annual Report 2017–18*, p. 111.

54 Australian Fisheries Management Authority, *Annual Report 2017–18*, p. 113.

55 Australian Fisheries Management Authority, *Annual Report 2017–18*, p. 182.

### ***Financial information***

2.62 AFMA reported a deficit of \$900,000 for the reporting period, within the budgeted operating loss of \$1.8 million. The authority's total expenditure was \$39.1 million (against budget expenditure of \$38.9 million).<sup>56</sup>

2.63 Employee expenditure was \$233,000 lower than budget; and expenditure relating to the caretaking and disposal of illegal foreign fishing vessels was \$4.3 million lower than budget.<sup>57</sup>

2.64 However, supplier expenditure was \$1.3 million higher. This was attributed to higher surveillance costs relating to the development and commencement of the Information and Communications Technology Strategy; preparatory work for the Canberra office relocation; and the transition to a new vessel monitoring system provider.<sup>58</sup>

### ***Committee comment***

2.65 The Committee welcomes the authority's program to implement and report its performance through fisheries management strategies. This should provide a more informative basis upon which to understand the agency's performance.

2.66 The Committee considers the AFMA report to be compliant with reporting requirements.

### **Murray Darling Basin Authority**

2.67 The 2017–18 Annual Report of the Murray-Darling Basin Authority (MDBA) contains a comprehensive account of the authority's activities. The report was tabled in the Senate on 16 October 2018.

### ***Chief Executive's review***

2.68 The Chief Executive, Mr Phillip Glyde, highlighted a number of achievements over the reporting period, including:

- delivering amendments to the Basin Plan that adjusted the sustainable diversion limits in the southern and northern Basin;
- undertaking a compliance review to help rebuild trust in the Basin Plan;
- completing the 2017 Basin Plan Evaluation;
- improving community engagement by opening new offices and expanding the Regional Engagement Officers program; and
- launching the National Cultural Flows Research Project—a seven-year project to increase knowledge about Aboriginal water interests.<sup>59</sup>

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56 Australian Fisheries Management Authority, *Annual Report 2017–18*, p. 128.

57 Australian Fisheries Management Authority, *Annual Report 2017–18*, p. 128.

58 Australian Fisheries Management Authority, *Annual Report 2017–18*, p. 128.

59 Murray Darling Basin Authority, *Annual Report 2017–18*, pp. 3–4.

***Purpose, goals and performance measurement***

2.69 The MDBA's purpose is to achieve a healthy, working Basin by managing water resources for the long term benefit of the Australian community.<sup>60</sup>

2.70 The authority has a single outcome:

Equitable and sustainable use of the Murray-Darling Basin by governments and the community including through the development and implementation of a Basin Plan, operation of the River Murray system, and shared natural resource management programs, research information and advice.<sup>61</sup>

2.71 To achieve this outcome, the MDBA has five strategic goals:

- lead the implementation of the Basin Plan to achieve a healthy, working basin;
- strengthen engagement with the community;
- evaluate and report the social, economic and environmental outcomes of Basin water reforms;
- operate the River Murray system efficiently for partner governments; and
- improve the knowledge base to support sustainable water resource management.<sup>62</sup>

2.72 Achievement of the MDBA's strategic goals is assessed through eight key performance indicators (KPIs). The MDBA reported it had achieved all KPIs for the reporting period.<sup>63</sup>

*Strategic goal 1: Lead the implementation of the Basin Plan to achieve a healthy, working basin*

2.73 During the year, the MDBA reported that it had established better working arrangements with Basin governments.<sup>64</sup> By releasing an assessment framework, policy guidance and templates, the authority was able to support state governments in preparing their water resource plans. The authority also facilitated the transition from the Murray-Darling Basin Cap on diversions to the new Sustainable Diversion Limit.<sup>65</sup>

2.74 An outcome of the Murray-Darling Basin Water Compliance Review was the establishment of the Office of Compliance and the Independent Assurance Committee. The Independent Assurance Committee will advise the MDBA on its

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60 Murray Darling Basin Authority, *Annual Report 2017–18*, p. 6.

61 Murray Darling Basin Authority, *Annual Report 2017–18*, p. 15.

62 Murray Darling Basin Authority, *Annual Report 2017–18*, p. 15.

63 Murray Darling Basin Authority, *Annual Report 2017–18*, pp. 16–19.

64 Basin governments are the state governments of Queensland, New South Wales, Victoria, South Australia, and the Australian Capital Territory.

65 Murray Darling Basin Authority, *Annual Report 2017–18*, pp. 21, 27–28.



approach to compliance. The authority subsequently released its Compliance and Enforcement Policy and launched an audit program. The Murray-Darling Basin Ministerial Council reached agreement on the Basin Compliance Compact, comprising action plans for Basin governments to improve water compliance.<sup>66</sup>

2.75 The completion of the 2017 Basin Plan Evaluation showed the plan was progressing well. However, as a number of actions were identified as behind schedule, changes will be implemented to ensure it remains on track.<sup>67</sup>

2.76 The MDBA continues to implement a package of projects and works under the Sustainable Diversion Limit Adjustment Mechanism (SDLAM), focused on water supply and efficiency.<sup>68</sup>

2.77 The authority has worked with Basin governments to address a number of technical and policy issues with regard to new limits on how much groundwater can be taken from the Basin. The completion of a three-year strategic partnership with the National Centre for Groundwater Research and Training has enhanced scientific and socioeconomic knowledge. It has also delivered state-of-the-art modelling processes and integrated assessment tools for managing groundwater in the Basin.<sup>69</sup>

2.78 The MDBA has a strategy to bring Aboriginal people's views into the long-term and annual planning for water for the environment. The *Basin Environmental Watering Priorities for 2018–19* report contained a statement of commitment to this effect, and specified a number of actions that will incorporate Traditional Owner input into policy. The report included two case studies on Aboriginal environment outcomes.<sup>70</sup>

#### *Strategic goal 2: Strengthen engagement with the community*

2.79 The MDBA responded to an identified need for targeted information on the Basin Plan and its activities in several ways. It increased its presence in regional areas by appointing Regional Engagement Officers and following an evaluation, will work towards a modest expansion of the initiative. Staff attended more than 640 meetings, and received 752 public requests for information. A particular focus was public consultation on the SDLAM program in the southern Basin.<sup>71</sup>

2.80 The authority's 'Rivers. Worth it.' campaign aimed to raise public awareness of the value of the Basin Plan, its management arrangements, and how science is used to make decisions. The digital elements of the campaign reached 700,000 people across Australia.<sup>72</sup>

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66 Murray Darling Basin Authority, *Annual Report 2017–18*, pp. 21, 29, 31, 33.

67 Murray Darling Basin Authority, *Annual Report 2017–18*, pp. 3, 21, 50.

68 Murray Darling Basin Authority, *Annual Report 2017–18*, p. 24.

69 Murray Darling Basin Authority, *Annual Report 2017–18*, p. 27.

70 Murray Darling Basin Authority, *Annual Report 2017–18*, pp. 33, 36–37.

71 Murray Darling Basin Authority, *Annual Report 2017–18*, p. 41.

72 Murray Darling Basin Authority, *Annual Report 2017–18*, pp. 42–43.

2.81 The MDBA also continued with its schools program and presented a range of exhibits at Q-lab at Questacon. The authority's *Run the River* app was downloaded more than 5,000 times and the new *Waterweed Wipeout* app achieved over 500 downloads.<sup>73</sup>

2.82 The authority is working in partnership with the Murray Lower Darling Rivers Indigenous Nations (MLDRIN) and Northern Basin Aboriginal Nations (NBAN) on a range of matters across the Basin, including the Indigenous Partnership Program, which was reviewed during the reporting period. Under the program, Indigenous facilitators have worked with Traditional Owners at 'icon' sites to improve the health of the River Murray by making the best use of water for the environment and incorporating cultural knowledge. The review found the program effectively engages Aboriginal people and contributes to cultural, community, socioeconomic and environmental outcomes.<sup>74</sup>

2.83 Other projects include the National Cultural Flows Research Project, and the Aboriginal Weather Watchers Project.<sup>75</sup>

*Strategic goal 3: Evaluate and review the social, economic and environmental outcomes of the Basin water reforms*

2.84 The authority assessed its performance on this strategic goal as compliant on the basis it had completed all monitoring and evaluation reviews of Basin water reforms and of the Basin Plan itself, within statutory timeframes.

2.85 Research into the effects of the Basin Plan showed it would vary substantially from community to community. The MDBA's research found that of 40 irrigation-dependent communities examined, 12 were likely to have experienced 'quite small effects on employment' from the Basin Plan water recovery. In 18 communities, the effects were likely to be modest and identifiable. In 10 communities, the effects were likely to be quite large.<sup>76</sup>

2.86 Over the year, several large coordinated flows were delivered to align delivery of water for the environment with consumptive demands. The Basin Plan Evaluation reported positively on the outcomes against water for environment priorities—noting activities met legislated or agreed timeframes. Even though the number of watering events has not changed significantly, coordination between water holders has increased the volume of water delivered at each event.<sup>77</sup>

2.87 The Joint Venture Monitoring and Evaluation program delivered a range of native fish and vegetation projects allowing for the collaborative and consistent monitoring of outputs. Projects included improvements in monitoring fish movement,

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73 Murray Darling Basin Authority, *Annual Report 2017–18*, pp. 43–44.

74 Murray Darling Basin Authority, *Annual Report 2017–18*, p. 45.

75 Murray Darling Basin Authority, *Annual Report 2017–18*, p. 46.

76 Murray Darling Basin Authority, *Annual Report 2017–18*, p. 51.

77 Murray Darling Basin Authority, *Annual Report 2017–18*, p. 55.

fish genetics to trace fish spawning, and a water microchemistry map to trace fish movements.<sup>78</sup>

2.88 Other projects have contributed to the maintenance of water quality and salinity levels to support the environmental, social, cultural, and economic activity of the Basin.<sup>79</sup>

*Strategic goal 4: Operate the River Murray system efficiently for partner governments*

2.89 The authority noted a number of highlights, including operating the River Murray system to maximise water availability for all entitlement holders through a hot summer and autumn. The MDBA reported critical human water needs were met in 2017–18, as well as conveyance water needs to ensure sufficient flow in the river system.<sup>80</sup>

2.90 The MDBA also developed, in partnership with the Victorian government, an online tool to allow allocation trades subject to the Barmah Choke restriction to be automatically processed.<sup>81</sup>

2.91 The first audit under the Basin Salinity Management 2030 strategy was completed. The Basin salinity target was achieved for the ninth consecutive year.<sup>82</sup>

2.92 The MDBA continued ongoing work with river operators and Basin government agencies to update the River Murray System Objectives and Outcomes document, which provides a decision-making framework for operators. This work involved completing the first phase of a review of water for the environment trials; updating flood management manuals; and assessing risks and potential mitigation measures for channel capacity and delivery shortfalls.<sup>83</sup>

2.93 Several coordinated actions were undertaken to align water for the environment delivery with consumptive demands, with water for the environment delivered to Barmah-Millewa Forest, Hattah Lakes, wetlands in the mid-Murrumbidgee, the Lower Darling, and to support connectivity between the Lower Lakes and the Coorong.<sup>84</sup>

*Strategic goal 5: Improve the knowledge base to support sustainable water resource management*

2.94 Some highlights under this strategic goal included using remote sensing to track environmental flows; establishing a data management framework; trialing data

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78 Murray Darling Basin Authority, *Annual Report 2017–18*, p. 55.

79 Murray Darling Basin Authority, *Annual Report 2017–18*, p. 57.

80 Murray Darling Basin Authority, *Annual Report 2017–18*, pp. 61, 74–75.

81 Murray Darling Basin Authority, *Annual Report 2017–18*, p. 61.

82 Murray Darling Basin Authority, *Annual Report 2017–18*, pp. 61, 79.

83 Murray Darling Basin Authority, *Annual Report 2017–18*, p. 74.

84 Murray Darling Basin Authority, *Annual Report 2017–18*, pp. 80–81.

integration and analysis systems; and improving and testing various models and assessment tools.<sup>85</sup>

2.95 One particular planning and management tool is the Source Murray Model, which allows water managers to test policy and management options and observe the impacts these changes are likely to have on aspects of the system. The MDBA has started working with partner governments to use the model to define baseline diversion limits and to use this baseline for the development of water resources plans.<sup>86</sup>

2.96 The waterbird trajectory project, completed by the University of New South Wales, has mapped possible trajectories of waterbird populations over the next 10 to 20 years, and developed a population model for straw-necked ibis. The project found a correlation between waterbird populations and access to water flows.<sup>87</sup>

2.97 The MDBA has engaged scientists to investigate the links between flows and native fish. The intent is to help target appropriate flows to boost native fish recruitment.<sup>88</sup>

2.98 The MDBA has also supported several short-term projects to manage alien fish and showcase how river environments can be restored to benefit native fish populations. Projects have included an educational resource kit, a website update, a video, and community and stakeholder engagement.<sup>89</sup>

2.99 The authority admits a key challenge for the year ahead will be to expand its capacity for robust scientific analysis and to build its reputation as trusted experts in the water sciences.<sup>90</sup>

### ***Freedom of information requests***

2.100 During the reporting period, the MDBA received 16 FOI requests, which were processed in accordance with the statutory timeframes. The authority met all reporting obligations under the FOI Act.<sup>91</sup>

### ***Staffing information***

2.101 The MDBA has approximately 285 staff. Eight per cent (against a target of 10 per cent), are located in regional offices in Toowoomba, Albury-Wodonga, and Adelaide.<sup>92</sup>

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85 Murray Darling Basin Authority, *Annual Report 2017–18*, p. 87.

86 Murray Darling Basin Authority, *Annual Report 2017–18*, p. 90.

87 Murray Darling Basin Authority, *Annual Report 2017–18*, p. 91.

88 Murray Darling Basin Authority, *Annual Report 2017–18*, pp. 90–91.

89 Murray Darling Basin Authority, *Annual Report 2017–18*, p. 93.

90 Murray Darling Basin Authority, *Annual Report 2017–18*, p. 95.

91 Murray Darling Basin Authority, *Annual Report 2017–18*, p. 116.

92 Murray Darling Basin Authority, *Annual Report 2017–18*, pp. 4, 40, 173.

2.102 Fifty-four per cent of staff at MDBA are female. The authority has an active Aboriginal and Torres Strait Islander staff network. It works with RecruitAbility to increase employment opportunities for people with a disability. Its Workplace Diversity and Inclusion Program includes LGBTI awareness training for all staff and managers. The staff at the MDBA come from more than 30 countries.<sup>93</sup>

2.103 During the reporting period, there was one notification of a dangerous incident. An external audit of its Rehabilitation Management System found the MDBA was fully compliant. The MDBA had one accepted Comcare claim during the reporting period. This incident rate reduced its workers compensation premium by \$13,000.<sup>94</sup>

### ***Financial information***

2.104 The MDBA reported an operating surplus of \$16.2 million, noting significant fluctuations in spending were due to the impact of the complex nature of joint programs, in particular capital construction and environmental projects.<sup>95</sup>

2.105 The Chief Finance Officer highlighted the following:

- total expenditure—\$163.4 million;
- contributions from jurisdictions—\$94.1 million;
- revenue from government—\$78.9 million; and
- other revenue (interest, rent, royalties, grants)—\$6.6 million.<sup>96</sup>

2.106 The MDBA manages over \$4.9 billion in assets, including dams, weirs, locks and water entitlements used for achieving the objectives of the Living Murray Initiative (LMI).<sup>97</sup>

2.107 The increase in the MDBA's net equity position of \$79.4 million (\$16.2 million higher than 2016–17) was attributed to lower than budgeted activity on the Murray Mouth Dredging Program and Salt Interception Scheme. Higher water flows resulted in fewer dredging and salt interception projects.<sup>98</sup>

### ***Committee comment***

2.108 The Committee notes some confusion around the number of staff employed by the authority, variously stated as 'around 285 full-time equivalent staff', an 'average staff level' of 278, and when broken down by age, 307.<sup>99</sup> Further detail on the

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93 Murray Darling Basin Authority, *Annual Report 2017–18*, pp. 119–121.

94 Murray Darling Basin Authority, *Annual Report 2017–18*, p. 122.

95 Murray Darling Basin Authority, *Annual Report 2017–18*, p. 126.

96 Murray Darling Basin Authority, *Annual Report 2017–18*, pp. 126, 131.

97 Murray Darling Basin Authority, *Annual Report 2017–18*, p. 126.

98 Murray Darling Basin Authority, *Annual Report 2017–18*, p. 126, 133.

99 Murray Darling Basin Authority, *Annual Report 2017–18*, pp. 98, 123, 173.

proportion of staff who are Aboriginal and Torres Strait Islander, identify as having a disability, or come from non-English speaking backgrounds would be useful.

2.109 The Committee encourages the MDBA to provide sufficient detail on the context of the various activities it undertakes to allow for a thorough analysis of its performance. For instance, the Chief Executive Officer noted that over 750 environmental watering events had been held over the preceding four years, but offered no explanation as to whether these were sufficient or resulted in beneficial outcomes.<sup>100</sup>

2.110 The Committee considers the MDBA report to be compliant with reporting requirements.

### **Department of Infrastructure Regional Development and Cities**

2.111 The 2017–18 Annual Report of the Department of Infrastructure, Regional Development and Cities (DIRDC) was tabled in the Senate on 12 November 2018. The report provides an overview of the activities and achievements of the department over the previous year.

#### ***Secretary's review***

2.112 Dr Steven Kennedy, Secretary of the DIRDC, provided a review and highlights of the department's achievements over the reporting period, including:

- signing of the Western Sydney City Deal, including a \$5.3 billion investment by the Australian government in the Western Sydney Airport;
- an organisational restructure including the introduction of a third Deputy Secretary and the transition to a three group structure: Transport Group, Cities and Territories Group, and Infrastructure Group;
- commencement of the Parkes to Narromine portion of the Inland Rail project;
- launch of the Australasian New Car Assessment Program (ANCAP) safety app; and
- allocation of \$2.4 billion to local governments through the Financial Assistance Grants program.<sup>101</sup>

#### ***Key programs***

2.113 The department has highlighted eight key programs and activities in the report and provided updates on each for the reporting period.

#### ***Infrastructure Investment Program***

2.114 The Infrastructure Investment Program enables DIRDC to provide policy advice to support government investment decisions, manage delivery of infrastructure

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100 Murray Darling Basin Authority, *Annual Report 2017–18*, p. 3.

101 Department of Infrastructure, Regional Development and Cities, *Annual Report 2017–18*, pp. 4–8.

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projects and programs, and work with state, territory and local governments to reform land transport arrangements.<sup>102</sup>

2.115 Some of the key projects funded through the program include:

- WestConnex;
- NorthConnex;
- Pacific Highway;
- Toowoomba Second Range Crossing;
- Bruce Highway;
- Victorian Infrastructure Package;
- NorthLink WA;
- North-South Corridor in South Australia;
- Midland Highway in Tasmania;
- Cape York Region Package in Queensland;
- Echuca Moama Bridge in Victoria; and
- Western Sydney Infrastructure Plan.<sup>103</sup>

2.116 DIRDC oversees projects funded through the Australian Rail Track Corporation and the Moorebank Intermodal Company Limited, including the Melbourne-Brisbane Inland Rail Project. In 2017–18 the department finalised governance arrangements around reporting, monitoring and financing the project.<sup>104</sup>

2.117 In 2017–18 the government announced a \$10 billion National Rail Program focused on investment in rail networks within and between major cities and regional centres. The department has developed criteria to ensure projects meet key objectives and desired outcomes.<sup>105</sup>

#### *Surface Transport Program*

2.118 Through the Surface Transport Program, the department was able to progress coastal shipping regulatory changes; promote integrated road and rail reforms; administer national disability standards for accessible public transport; and work with state and territory governments to progress heavy vehicle road reform.<sup>106</sup>

2.119 The department led the development of the National Infrastructure Data Collection and Dissemination Plan. The plan was released in June 2018. This plan,

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102 Department of Infrastructure, Regional Development and Cities, *Annual Report 2017–18*, p. 50.

103 Department of Infrastructure, Regional Development and Cities, *Annual Report 2017–18*, pp. 53–58.

104 Department of Infrastructure, Regional Development and Cities, *Annual Report 2017–18*, p. 59.

105 Department of Infrastructure, Regional Development and Cities, *Annual Report 2017–18*, p. 60.

106 Department of Infrastructure, Regional Development and Cities, *Annual Report 2017–18*, p. 64.

when implemented, will improve the way infrastructure data is collected, shared, and used as a guide to decision making. An example of the initiatives underway, as part of the plan, is that of the use of GPS data to understand where congestion is affecting freight movements.<sup>107</sup>

2.120 The department regulates international liner cargo shipping under the *Competition and Consumer Act 2010*. DIRDC's regulatory activities include ensuring exporters and importers have continued access to internationally competitive shipping services. During the reporting period, a total of 27 provisional registrations and 23 final registrations of shipping agreements were approved by the Registrar of Liner Shipping under the Act.<sup>108</sup>

#### *Road Safety Program*

2.121 Through the road safety program, the department has continued to progress the implementation of reforms to the *Motor Vehicle Standards Act 1989*. During the year in review, it also coordinated delivery arrangements for the National Road Safety Strategy 2011–2020 and National Road Safety Action Plan 2015–2017, and improved road safety outcomes through expenditure on infrastructure.<sup>109</sup>

2.122 During the year, the department continued to develop the Australian Design Rules (ADRs). The vehicle safety actions under the National Road Safety Action Plan 2015–17 were completed with the introduction of new ADRs for advanced braking systems on motorcycles, and stability control systems on heavy trucks, buses and trailer.<sup>110</sup>

#### *Air Transport Program*

2.123 Through the Air Transport Program, the department:

- regulated to support ongoing infrastructure investment at federally leased airports;
- progressed elements of the National Airport Safeguarding Network;
- provided policy advice to support aviation safety;
- managed regional and remote aviation access programs; and
- progressed implementation of the Western Sydney Airport project.<sup>111</sup>

2.124 The department is responsible for implementing aviation regulation, policies and programs to support future investment in aviation infrastructure. In 2017–18, this involved overseeing major aviation infrastructure projects and airport planning.<sup>112</sup>

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107 Department of Infrastructure, Regional Development and Cities, *Annual Report 2017–18*, p. 66.

108 Department of Infrastructure, Regional Development and Cities, *Annual Report 2017–18*, p. 70.

109 Department of Infrastructure, Regional Development and Cities, *Annual Report 2017–18*, p. 72.

110 Department of Infrastructure, Regional Development and Cities, *Annual Report 2017–18*, pp. 72–73.

111 Department of Infrastructure, Regional Development and Cities, *Annual Report 2017–18*, p. 75.



2.125 Approval of masterplans for the Archerfield, Darwin, Gold Coast and Parafield airports along with the approval of major development plans for Bankstown, Darwin and Jandakot took place during the year with the department's support.<sup>113</sup>

2.126 In August 2017 the government established WSA Co as its business enterprise to construct and operate Western Sydney Airport. The airport, which is expected to support almost 28,000 direct and indirect jobs, is due for completion in 2026.<sup>114</sup>

#### *Regional Development Program*

2.127 Through the Regional Development Program, the department aims to deliver a whole-of-government agenda for regional Australia, manage regional and local government grants programs, and implement the revised Regional Development Australia (RDA) Program.<sup>115</sup>

2.128 An independent review into the Regional Development Australia program was released during the reporting period. The review provided a framework to reform the Regional Development Australia program with key program reforms including:

- a new charter for RDA committees;
- consolidating the four Melbourne RDA committees into one;
- expanding the program to include the territories of Christmas Island, Cocos (Keeling) Island, Norfolk Island, and the Jervis Bay territory; and
- establishing new performance measures to ensure the outcomes of the RDA activities are monitored and measured.

2.129 The department administered \$18.3 million for RDA committees during the reporting period.<sup>116</sup>

#### *Local Government Program*

2.130 The primary function of the Local Government Program is to administer and deliver the Financial Assistance Grant program. During the reporting period, the department administered \$2.4 billion through the program.<sup>117</sup>

2.131 The department also administered \$20 million of funding for local roads in South Australia. These funds were administered through the Financial Assistance Grant program and the Roads to Recovery program.<sup>118</sup>

112 Department of Infrastructure, Regional Development and Cities, *Annual Report 2017–18*, p. 75.

113 Department of Infrastructure, Regional Development and Cities, *Annual Report 2017–18*, p. 76.

114 Department of Infrastructure, Regional Development and Cities, *Annual Report 2017–18*, pp. 78–79.

115 Department of Infrastructure, Regional Development and Cities, *Annual Report 2017–18*, p. 87.

116 Department of Infrastructure, Regional Development and Cities, *Annual Report 2017–18*, pp. 89–90.

117 Department of Infrastructure, Regional Development and Cities, *Annual Report 2017–18*, p. 95.

118 Department of Infrastructure, Regional Development and Cities, *Annual Report 2017–18*, p. 95.

### *Service to Territories Program*

2.132 The Service to Territories Program aims to deliver a range of infrastructure and services to the external territories and Jervis Bay Territory, progress governance and financial reform for Norfolk Island, and manage world heritage areas on Norfolk Island.<sup>119</sup>

2.133 As part of financial and governance reform to Norfolk Island, the department entered into a number of agreements including with the Norfolk Island Council to deliver a range of services; with the Australian Federal Police for local policing; and with the NSW government to provide support for health, education and local government.<sup>120</sup>

2.134 Additionally, legislative reform for Norfolk Island was progressed in the form of improved functioning of the criminal justice system, introduction of community title on the island to support more effective land use, and establishment of a new legal framework for the Norfolk Island Central School.<sup>121</sup>

### *Smart Cities Plan*

2.135 The Smart Cities Plan is primarily facilitated through the various City Deals negotiated between the three levels of government, the community and private enterprise. The plan seeks to unlock economic potential within a city through alignment on planning, investment and governance amongst all key stakeholders.<sup>122</sup>

2.136 The report provides updates on the existing City Deals in Townsville, Launceston and Western Sydney. Additionally, it also provides details on future City Deals in Darwin, Hobart, Geelong and Perth.<sup>123</sup>

2.137 The \$50 million Smart Cities and Suburbs Program supports urban projects that apply smart technology to provide solutions to urban challenges and deliver economic benefits. Following an application process, 49 projects were announced in November 2017 from all states and territories.<sup>124</sup>

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119 Department of Infrastructure, Regional Development and Cities, *Annual Report 2017–18*, p. 96.

120 Department of Infrastructure, Regional Development and Cities, *Annual Report 2017–18*, pp. 96–97.

121 Department of Infrastructure, Regional Development and Cities, *Annual Report 2017–18*, p. 97.

122 Department of Infrastructure, Regional Development and Cities, *Annual Report 2017–18*, p. 101.

123 Department of Infrastructure, Regional Development and Cities, *Annual Report 2017–18*, pp. 102–104.

124 Department of Infrastructure, Regional Development and Cities, *Annual Report 2017–18*, p. 104.

### ***Staffing information***

2.138 DIRDC employs a total of 875 employees. Of these, 825 are located in the ACT with the remaining 50 spread across all of Australia, its territories and internationally.<sup>125</sup>

2.139 The department employs 14 people who identify as Aboriginal or Torres Strait Islander. The department has taken a number of measures to improve opportunities for Aboriginal and Torres Strait Islander employment including piloting a Mobility Placement program within the Western Sydney Unit, developing a department-specific Affirmative Measures Program and participating in the Indigenous Australian Government Development Program.<sup>126</sup>

### ***Financial information***

2.140 DIRDC reported an operating deficit of \$2.2 million during the reporting period. After allowing for net cash appropriation statements, this amount equates to a surplus of \$5.9 million.<sup>127</sup>

2.141 Due to machinery of government changes, revenue from government was reduced by \$6.8 million from 2016–17. Other revenue increased by \$3.6 million from the previous year, primarily because of the recovery of costs incurred on behalf of WSA Co during its establishment.<sup>128</sup>

2.142 DIRDC made note in its report that departmental expenses were \$5.5 million lower than in 2016–17, mainly due to machinery of government changes.<sup>129</sup>

### ***Committee comment***

2.143 The committee commends DIRDC on a thorough report, which highlights many of the department's activities. The committee considers DIRDC's annual report to be compliant with reporting requirements.

### **Civil Aviation Safety Authority**

2.144 The 2017–18 Annual Report of the Civil Aviation Safety Authority (CASA) was tabled in the Senate on 19 October 2018. The report provides an overview of the activities and achievements of the authority over the previous year.

### ***Director's review***

2.145 Mr Shane Carmody, Director of Aviation Safety and Chief Executive Officer of CASA, provided a review of the agency's achievements over the reporting period including:

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125 Department of Infrastructure, Regional Development and Cities, *Annual Report 2017–18*, p. 43.

126 Department of Infrastructure, Regional Development and Cities, *Annual Report 2017–18*, p. 40.

127 Department of Infrastructure, Regional Development and Cities, *Annual Report 2017–18*, p. 10.

128 Department of Infrastructure, Regional Development and Cities, *Annual Report 2017–18*, p. 10.

129 Department of Infrastructure, Regional Development and Cities, *Annual Report 2017–18*, p. 10.

- establishing the Aviation Safety Advisory Panel in July 2017. The panel acts as the primary advisory body through which CASA engages with industry;
- progressing reforms with regard to the aviation medicines processes and licensing arrangements;
- improving CASA's surveillance capability in accordance with the recommendations contained in the government's response to the Aviation Safety Regulation Review; and
- commissioning an independent review to benchmark new fatigue rules for operators and pilots with other aviation nations.<sup>130</sup>

2.146 Mr Carmody also outlined outcomes that were not achieved. He noted that there were delays to improving CASA's European Aviation Processing permissions and licensing system. These delays meant that the agency was not able to meet its expected milestones.<sup>131</sup>

### ***Corporate Plan objectives***

2.147 CASA measures its performance against three detailed objectives as set out in its Corporate Plan 2017–18. Of the 69 performance measures set for agency's three corporate goals in 2017–18, 89 per cent were met, 10 per cent were substantially completed and delays affected one per cent. The report noted that this outcome is consistent with CASA's performance over the previous five years.<sup>132</sup>

#### *Goal One: Maintain and enhance a fair, effective and efficient aviation safety regulation system*

2.148 CASA focusses its efforts under this goal on maintaining, enhancing and promoting aviation safety. Of the 28 performance measures against this goal, 21 were assessed as completed or on track, six were substantially completed and one was delayed.<sup>133</sup>

2.149 Significant changes were introduced to aviation medical certification. These changes included giving delegation to designated aviation medical examiners to issue Class 2 medical certificates.

2.150 Risk profiles were made for seven sectors including aerial mustering, aerodromes, small aeroplane transport, large aeroplane transport (over 97 seats), aeroplane medical transport, helicopter medical transport and commercial balloon. The profiles were developed using CASA's sector risk profiling methodology.

2.151 Following the International Civil Aviation Organization (ICAO) coordinated validation mission, Australia's effective implementation rate increased from 85.05 per cent to 94.98 per cent. This result increased Australia's world standing in relation to

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130 Civil Aviation Safety Authority, *Annual Report 2017–18*, pp. 14–17.

131 Civil Aviation Safety Authority, *Annual Report 2017–18*, p. 16.

132 Civil Aviation Safety Authority, *Annual Report 2017–18*, p. 34.

133 Civil Aviation Safety Authority, *Annual Report 2017–18*, p. 34.

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compliance with ICAO standards and recommendations practices from 44th place to sixth.<sup>134</sup>

2.152 CASA is a member of a counterterrorism steering group led by the Department of Home Affairs. CASA examines the security aspects of counter-drone technology and is also a member of the group's legal issues sub-committee.<sup>135</sup>

2.153 CASA is responsible to provide the lead regulator role in relation to the OneSKY project. In relation its performance against Goal One, CASA was required to conduct entry control and surveillance of certificate holders in relation to the OneSKY project. However, the annual report noted that this activity had been delayed 'pending the submission of documentation and safety cases by Airservices Australia for the OneSky project.'<sup>136</sup>

*Goal Two: Collaborative engagement with the wider aviation community to promote and support a positive safety culture*

2.154 CASA aims to maintain a constructive relationship with other Commonwealth departments and promote effective consultation with the wider aviation community. All 22 performance measures against this goal were completed or on track.<sup>137</sup>

2.155 A major communications push was used to increase awareness of drone safety rules and build public confidence in the management of drones. In October 2017, CASA launched a dedicated website for recreational drone users.

*Goal Three: Continuous improvement of organisational performance*

2.156 CASA seeks to continually improve its operational activities and other support functions. Of the 19 performance measures against this goal, 18 were on track or completed and one was substantially completed.<sup>138</sup>

2.157 During the reporting period, the Training Branch was established to centralise and improve professional development opportunities for staff. Leadership development courses were conducted and a new performance and communication scheme was implemented.

2.158 Aboriginal and Torres Strait Islanders members of CASA's Indigenous Engagement Network received mentoring from the 2018 ACT Australian of the Year and Indigenous entrepreneur, Mr Dion Devow. The mentoring provided an opportunity for network members to contribute to the delivery of initiatives within the Reconciliation Action Plan.

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134 Civil Aviation Safety Authority, *Annual Report 2017–18*, p. 35.

135 Civil Aviation Safety Authority, *Annual Report 2017–18*, pp. 35–36.

136 Civil Aviation Safety Authority, *Annual Report 2017–18*, p. 41.

137 Civil Aviation Safety Authority, *Annual Report 2017–18*, p. 46.

138 Civil Aviation Safety Authority, *Annual Report 2017–18*, p. 57.

### ***Staffing information***

2.159 At the end of the reporting period, CASA had 832 staff. The majority of these positions are in the Aviation Group.<sup>139</sup>

2.160 In 2017–18, the staff turnover rate was 10.5 per cent which is lower than the 2016–17 rate of 11.6 per cent.<sup>140</sup>

2.161 Of the 832 staff, CASA employs 10 people who are Indigenous, representing 1.3 per cent of the total workforce.<sup>141</sup>

2.162 Through a Workplace Diversity Program, CASA aims to promote equal opportunity in employment. The program is consistent with the principles contained in the National Disability Strategy 2010–2020 and meets the requirements of the *Equal Employment Opportunity (Commonwealth Authorities) Act 1987*.<sup>142</sup>

### ***Financial information***

2.163 CASA recorded an operating surplus of \$0.5 million in 2017–18, down from a \$6.9 million surplus the previous financial year. The difference of \$6.4 million reflects an increase in expenditure of \$6.5 million.<sup>143</sup>

2.164 The increase in expenditure was predominantly due to changes in employee expenses. An increase in the average staffing level from 765 to 799, an increase in salaries under the CASA Enterprise Agreement 2016–19, progressions and promotions, and an increase in redundancies, were the primary factors. These were offset to some extent by decreases in consultancies and service contracts and insurance expenses.<sup>144</sup>

### ***Committee comment***

2.165 The committee considers CASA's annual report to be compliant with reporting requirements.

## **Australian Maritime Safety Authority**

2.166 The 2017–18 Annual Report of the Australian Maritime Safety Authority (AMSA) was tabled in the Senate on 12 November 2018. The report details the activities of the authority over the previous year.

### ***Chairman's forward***

2.167 The Chairman, Mr Stuart Richey AM, highlighted a number of AMSA's achievements over the reporting period, which ended with AMSA taking

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139 Civil Aviation Safety Authority, *Annual Report 2017–18*, p. 89.

140 Civil Aviation Safety Authority, *Annual Report 2017–18*, p. 88.

141 Civil Aviation Safety Authority, *Annual Report 2017–18*, p. 174.

142 Civil Aviation Safety Authority, *Annual Report 2017–18*, p. 88.

143 Civil Aviation Safety Authority, *Annual Report 2017–18*, p. 20.

144 Civil Aviation Safety Authority, *Annual Report 2017–18*, p. 20.

responsibility for full service delivery under the National System for Domestic Commercial Vessels on 1 July 2018. The authority's achievements included:

- upgrading the AMSA website to provide secure online services;
- releasing the Strategic Workforce Plan 2018–21 to ensure the organisation can undertake its role as the national regulator;
- approving more than 30 registered training organisations to conduct final assessments for low complexity near-coastal seafarer certification;
- accrediting more than 250 marine surveyors; and
- gaining election to Category B of the International Maritime Organization's governing council.<sup>145</sup>

### ***Purpose, strategic challenges and performance***

2.168 As Australia's national maritime regulatory body, the purpose of AMSA is to:

...promote the safety and protection of our marine environment and combat ship-sourced pollution. We provide the infrastructure for safety of navigation in Australian waters, and maintain a national search and rescue service for the maritime and aviation sectors.<sup>146</sup>

2.169 The authority identifies four strategic challenges:

- managing risks to safety and the environment;
- building the National System for Domestic Commercial Vessel Safety;
- delivering incident intervention and response; and
- ensuring a vibrant and progressive organisation.

2.170 AMSA also identifies a 'strategic enabler': collaborating with our community. This involves working with international organisations and other nations, and partner organisations; developing stakeholder relationships; undertaking community education; and delivering Indigenous safety programs.<sup>147</sup>

2.171 AMSA's report details six key performance indicators under the Commonwealth Regulatory Performance Framework. It lists fourteen focus areas, 26 performance criterion, 39 targets and six capability projects.<sup>148</sup>

### ***Strategic challenge 1: Managing risks to safety and the environment***

2.172 To manage risks to safety and the environment, AMSA's focus areas are:

- ensuring regulated vessels are operating safely and meeting standards;

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145 Australian Maritime Safety Authority, *Annual Report 2017–18*, p. 3. Australia was the first country to upgrade from Category C to B of the IMO Council.

146 Australian Maritime Safety Authority, *Annual Report 2017–18*, p. II.

147 Australian Maritime Safety Authority, *Annual Report 2017–18*, p. II.

148 Australian Maritime Safety Authority, *Annual Report 2017–18*, pp. 51–68.

- preventing pollution from shipping;
- supporting safe navigation;
- contributing to and implementing international conventions; and
- ensuring seafarer competency and welfare.<sup>149</sup>

2.173 With regard to its regulatory performance under this focus area, AMSA exceeded its target for National System customer service; received an average of 3.38 out of six in its online customer service survey; and achieved a read rate of 34 per cent for its email campaign (domestic vessel communication including safety awareness).<sup>150</sup>

2.174 Capability projects under this strategic challenge involved integrating search and rescue, maritime casualty and incident responses; developing policy responses to identified future challenges; and delivering a one-stop-shop capability for international and domestic seafarer certification.<sup>151</sup>

#### *Strategic challenge 2: Building the National System for Domestic Commercial Vessel Safety*

2.175 Under this focus area, AMSA worked towards building service delivery and regulatory frameworks to allow it to assume responsibility as the national regulator for domestic commercial vessels on 1 July 2018.<sup>152</sup>

2.176 A key capability project was the National System transition program to ensure AMSA systems and processes were developed to ensure a smooth transition of regulatory responsibility for domestic commercial vessels from the states and territories.<sup>153</sup>

#### *Strategic challenge 3: Delivering incident intervention and response*

2.177 Under this strategic challenge, AMSA focussed on saving lives through search and rescue, and delivering effective marine pollution response capability. In the reporting period, AMSA rescued a total of 128 people. AMSA has the capacity to respond to up to 8,500 incidents and conduct 740 searches each year. During the reporting period, it took an average of 24 minutes for its Rescue Coordination Centre to initiate a response.<sup>154</sup>

#### *Strategic challenge 4: Ensuring a vibrant and progressive organisation*

2.178 AMSA has 407 staff and achieved a staff turnover rate of 11.4 per cent, which it states is less than comparable public sector agencies. Its staff engagement level of

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149 Australian Maritime Safety Authority, *Annual Report 2017–18*, pp. 51–57.

150 Australian Maritime Safety Authority, *Annual Report 2017–18*, p. 58.

151 Australian Maritime Safety Authority, *Annual Report 2017–18*, p. 60.

152 Australian Maritime Safety Authority, *Annual Report 2017–18*, p. 61.

153 Australian Maritime Safety Authority, *Annual Report 2017–18*, p. 61.

154 Australian Maritime Safety Authority, *Annual Report 2017–18*, pp. 62–63.



52 per cent, whilst lower than previous years, remains above public sector benchmarks.<sup>155</sup>

2.179 AMSA staff are located in 19 locations around Australia: Thursday Island; Cairns; Townsville; Mackay; Gladstone; Brisbane; Newcastle; Sydney; Port Kembla; Canberra; Devonport; Hobart; Melbourne; Adelaide; Fremantle; Geraldton; Karratha; Port Hedland; and Darwin.<sup>156</sup>

2.180 The authority reported 36 incidents, 21 of which related to contractors engaged by AMSA. A total of 70 days were lost to injury. There were no workers compensation claims or notifiable Comcare incidents.<sup>157</sup>

*Strategic enabler: Engaging with our community*

2.181 AMSA assessed that it had satisfactorily progressed issues either sponsored directly or supported by Australia at the International Maritime Organization, and satisfactorily influenced the technical standards of interest to Australia at the International Association of Marine Aids to Navigation and Lighthouse Authorities (IALA).

*Case studies*

2.182 AMSA's annual report provides a number of case studies that highlight a range of strategic challenges.

2.183 AMSA's contribution to safe seas included maintenance of a number of historical lighthouses; research into safety culture and its influence on safety behaviour on international commercial vessels in Australian waters; and participation in an international working group studying the dynamic separation of cargoes.<sup>158</sup>

2.184 On 1 July 2018, the services previously delivered by the states and territories under the National System for Domestic Commercial Vessel Safety (National System) were transitioned to AMSA. This significance change provides for a nationally administered and delivered system for 27,000 vessels and 66,500 seafarers around the country.

2.185 AMSA explained that the philosophy of the National System is to seek a 'balance between managing safety and regulating in a way that reduces red tape and lets business operate sustainably'. It noted that operators will be 'encouraged to take responsibility for safety outcomes through implementation of safety management systems, safe operations, and appropriately trained crew'.<sup>159</sup>

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155 Australian Maritime Safety Authority, *Annual Report 2017–18*, p. 66.

156 Australian Maritime Safety Authority, *Annual Report 2017–18*, p. 74.

157 Australian Maritime Safety Authority, *Annual Report 2017–18*, p. 83.

158 Australian Maritime Safety Authority, *Annual Report 2017–18*, pp. 19–22.

159 Australian Maritime Safety Authority, *Annual Report 2017–18*, pp. 23–24.

2.186 As part of its 'clean seas' initiatives, AMSA highlighted a number of initiatives including testing the National Plan for Maritime Environmental Emergencies.<sup>160</sup>

2.187 During the reporting period, the authority continued work on the 2020 Sulphur Cap under which all ships and vessels will be required to use fuel oil with a maximum 0.5 per cent sulphur content, or an equivalent means of compliance, by 1 January 2020. Other work addressed ship-sourced garbage by facilitating trial garbage recycling services for ships arriving on international voyages in Brisbane and at Hay Point. In addition, AMSA has also undertaken a survey to understand the maritime community's awareness and understanding of the International Convention for the Prevention of Pollution from Ships Annex V regulations.<sup>161</sup>

### ***Financial information***

2.188 AMSA recorded an operating surplus of \$8.4 million. This was a net decrease of \$3.2 million from 2016–17, caused by growing operating expenses. The authority received an increase of \$4.8 million in revenue over the previous financial year, predominantly associated with additional funding for search and rescue coordination and a rise in levy revenue driven by annual activity growth.<sup>162</sup>

2.189 The authority recorded revenue of \$209.7 million, comprising:

- 58.2 per cent derived from levies;
- 33.2 per cent from Australian government appropriations; and
- 8.6 per cent from sale of goods, rendering of services, interest received and other revenue.<sup>163</sup>

2.190 AMSA explained that the majority of its levy revenue is derived from bulk cargo vessels, and growth of levy volumes can be accounted for by larger vessels visiting Australian ports.<sup>164</sup>

2.191 Other financial details include:

- operating expenses—\$201.3 million (compared to \$193.3 million for 2016–17), partly attributed to an increase in staff for the National System for Domestic Commercial Vessels; and
- cash position—\$65.6 million.<sup>165</sup>

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160 Australian Maritime Safety Authority, *Annual Report 2017–18*, pp. 27–31.

161 Australian Maritime Safety Authority, *Annual Report 2017–18*, pp. 31–32.

162 Australian Maritime Safety Authority, *Annual Report 2017–18*, pp. 5–6.

163 Australian Maritime Safety Authority, *Annual Report 2017–18*, p. 6.

164 Australian Maritime Safety Authority, *Annual Report 2017–18*, p. 7.

165 Australian Maritime Safety Authority, *Annual Report 2017–18*, p. 8.

***Committee comments***

2.192 The Committee holds the view that the annual report does not easily allow for an overall assessment of AMSA's performance. The authority's case studies, used to illustrate its performance, straddle multiple strategic challenges and are assessed under multiple strategic goals and measures. For this reason, it is difficult to understand and assess the full scope of AMSA's work. Further, the case studies are separated from the detailed performance measures, even though there is significant cross-referencing between the two sections.

2.193 The Committee encourages AMSA to provide a clearer and more comprehensive overview of its programs and measurable achievements in future reports.

2.194 The Committee considers the AMSA report to be apparently satisfactory with reporting requirements.

**Senator Barry O'Sullivan**  
**Chair**



# Appendix 1

## Annual reports tabled during the period 1 May 2018 to 31 October 2018

### Agriculture and Water Resources portfolio

Document	Legislation	Date of transmittal letter	Date sent to minister	Date received by minister	Date tabled in Senate	Date tabled in House of Representatives
<b>Non-corporate Commonwealth entity</b>						
Department of Agriculture and Water Resources – Report for 2017-18	Section 46 of the <i>Public Governance, Performance and Accountability Act 2013</i> (PGPA Act)	12 September 2018	13 September 2018	30 September 2018	15 October 2018	15 October 2018
Australian Fisheries Management Authority – Report for 2017-18	Section 87 of the <i>Fisheries Administration Act 1991</i>	18 September 2018	18 September 2018	26 September 2018	16 October 2018	16 October 2018
<b>Corporate Commonwealth entity</b>						
Australian Pesticides and Veterinary Medicines Authority – Report for 2017-18	Section 46 of the PGPA Act	14 September 2018	5 October 2018	10 October 2018	12 November 2018	22 October 2018
Murray-Darling Basin Authority – Report for 2017-18	Section 214 of the <i>Water Act 2007</i>	3 October 2018	5 October 2018	10 October 2018	16 October 2018	16 October 2018
Regional Investment Corporation – Report for 2017-18	Section 46 of the PGPA Act	12 October 2018	12 October 2018	18 October 2018	12 November 2018	24 October 2018
<b>Acts and other documents</b>						
Independent Review of the Report on Progress with Implementation of the Victorian Regional Forest Agreements: Period 3 – 2009-2014	Section 10(6) of the <i>Regional Forest Agreements Act 2002</i>	N/A	28 February 2018	2 May 2018	18 June 2018	18 June 2018

Document	Legislation	Date of transmittal letter	Date sent to minister	Date received by minister	Date tabled in Senate	Date tabled in House of Representatives
Joint Australian and Victorian Government Response to the 'Independent Review of the Report on Progress with Implementation of the Victorian Regional Forest Agreements: Period 3 – 2009-2014'	Section 10(6) of the RFA Act	N/A	5 June 2018	8 June 2018	18 June 2018	18 June 2018
Independent review of the report on progress with the implementation of the New South Wales Regional Forest Agreements for the second and third five-yearly reviews 2004-2014	Section 10(6) of the RFA Act 2002	N/A	2 April 2018	19 June 2018	25 June 2018	25 June 2018
Report to Parliament on Livestock Mortalities During Export by Sea for the period of 1 January-30 June 2018	Division 5, Section 57AA of the Australian Meat and Live-stock Industry Act 1997	N/A	31 August 2018	12 September 2018	19 September 2018	19 September 2018

### Infrastructure, Regional Development and Cities portfolio

Document	Legislation	Date of transmittal letter	Date sent to minister	Date received by minister	Date tabled in Senate	Date tabled in House of Representatives
<b>Non-corporate Commonwealth entity</b>						
Department of Infrastructure, Regional Development and Cities – Annual Report 2017-18	Section 46 of the PGPA Act	18 September 2018	19 September 2018	19 September 2018	12 November 2018	18 October 2018
Australian Transport Safety Bureau – Report for 2017-18	Section 46 of the PGPA Act	2 October 2018	28 September 2018	28 September 2018	15 October 2018	15 October 2018
Infrastructure and Project Financing Agency – Report for 2017-18	Section 46 of the PGPA Act	26 September 2018	12 October 2018	12 October 2018	12 November 2018	24 October 2018
National Capital Authority – Report for 2017-18	Section 46 of the PGPA Act	11 October 2018	11 October 2018	12 October 2018	15 October 2018	26 November 2018
<b>Corporate Commonwealth entity</b>						
Airservices Australia – Report for 2017-18	Section 46 of the PGPA Act	27 September 2018	28 September 2018	2 October 2018	15 October 2018	15 October 2018

Document	Legislation	Date of transmittal letter	Date sent to minister	Date received by minister	Date tabled in Senate	Date tabled in House of Representatives
Australian Maritime Safety Authority – Report for 2017-18	Section 46 of the PGPA Act	19 September 2018	19 September 2018	16 October 2018	12 November 2018	18 October 2018
Civil Aviation Safety Authority – Report for 2017-18	Section 46 of the PGPA Act and Section 49 of the <i>Civil Aviation Act 1988</i>	13 September 2018	11 September 2018	11 September 2018	19 October 2018	22 October 2018
Infrastructure Australia – Report for 2017-18	Section 97 of the PGPA Act	30 August 2018	5 October 2018	9 October 2018	12 November 2018	18 October 2018
National Transport Commission – Report for 2017-18	Section 38 of the <i>National Transport Commission Act 2003</i> and section 46 of the PGPA Act	19 September 2018	26 September 2018	27 September 2018	15 October 2018	15 October 2018
<b>Commonwealth company</b>						
Australian Rail Track Corporation Limited – Report for 2018	Section 97 of the PGPA Act	N/A	2 October 2018	16 October 2018	12 November 2018	18 October 2018
Moorebank Intermodal Company Limited – Report for 2017-18	Section 97 of the PGPA Act	N/A	15 October 2018	16 October 2018	31 October 2018	26 November 2018
Western Sydney Airport Co Limited – Report for 2017-18	Section 97 of the PGPA Act	N/A	28 September 2018	3 October 2018	17 October 2018	17 October 2018
<b>Other body</b>						
International Air Services Commission – Annual Report 2017-18	Section 53(2) of the <i>International Air Services Commission Act 1992</i>	15 August 2018	23 August 2018	24 August 2018	16 October 2018	16 October 2018
National Heavy Vehicle Regulator – Annual Report for 2017-18	<i>Heavy Vehicle National Law Act 2012 (QLD)</i> and Section 46 of the PGPA Act 2013	24 September 2018	18 September 2018	19 October 2018	31 October 2018	26 November 2018
<b>Acts and other documents</b>						
Airservices Australia – Report on Movement Cap for Sydney Airport – First Quarter 2018 – 1 January 2018 to 31 March 2018	Section 9(3) of the <i>Sydney Airport Demand Management Act 1997</i>	N/A	17 May 2018	18 May 2018	19 June 2018	19 June 2018

Document	Legislation	Date of transmittal letter	Date sent to minister	Date received by minister	Date tabled in Senate	Date tabled in House of Representatives
Airservices Australia – Report on Movement Cap for Sydney Airport – Second Quarter 2018 – 1 April 2018 to 30 June 2018	Section 9(3) of the <i>Sydney Airport Demand Management Act 1997</i>	N/A	2 July 2018	5 July 2018	20 August 2018	16 August 2018
Airservices Australia – Corporate plan 2018-19	Section 15 of the <i>Air Services Act 1995</i>	N/A	1 June 2018	6 June 2018	20 August 2018	20 August 2018
Civil Aviation Safety Authority – Corporate plan for 2018-19 to 2021-22	Section 45 of the <i>Civil Aviation Act 1988</i>	N/A	18 June 2018	18 June 2018	20 July 2018	20 July 2018