

**The Parliament of the Commonwealth of Australia**

SENATE

RURAL AND REGIONAL AFFAIRS AND TRANSPORT

LEGISLATION COMMITTEE

**REPORT ON THE EXAMINATION OF  
ANNUAL REPORTS**

No. 1 of 2000

September 2000

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## MEMBERS OF THE COMMITTEE

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**Senator Kerry O'Brien \***, ALP, Tasmania

\* Senator O'Brien to substitute for Senator Forshaw for all inquiries relating to transport issues, including in respect of budget estimates.

\* Senator O'Brien to substitute for Senator Mackay for all inquiries relating to Agriculture, Fisheries and Forestry portfolio.

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### Committee Secretariat

Mr Andrew Snedden (Secretary to the Committee)  
Ms Lyn Fairweather (Estimates Officer)

The Senate  
Parliament House  
CANBERRA ACT 2600  
Tel: (02) 6277 3510  
Fax: (02) 6277 5811



# TABLE OF CONTENTS

<b>MEMBERS OF THE COMMITTEE .....</b>	<b>III</b>
<b>PREFACE .....</b>	<b>VII</b>
Terms of Reference .....	vii
Role of annual reports .....	viii
Timing of presentation of reports .....	viii
Reports referred to the Committee .....	viii
‘Apparently satisfactory’ .....	ix
Reports not examined .....	ix
<b>CHAPTER 1 .....</b>	<b>1</b>
DEPARTMENTAL ANNUAL REPORTS.....	1
Reporting guidelines.....	1
Comments.....	1
<b>CHAPTER 2 .....</b>	<b>3</b>
ANNUAL REPORTS OF STATUTORY AUTHORITIES.....	3
Reports referred to the Committee .....	3
Reporting guidelines.....	3
General issues arising from the reports .....	3
Department of Transport and Regional Services.....	4
Department of Agriculture, Fisheries and Forestry .....	4
Conclusion.....	4
<b>CHAPTER 3.....</b>	<b>5</b>
ANNUAL REPORTS OF NON STATUTORY BODIES.....	5
Reports referred to the Committee.....	5
Reporting guidelines.....	5
General issues arising from the report.....	5
Conclusion.....	5

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<b>CHAPTER 4 .....</b>	<b>7</b>
ANNUAL REPORTS OF GOVERNMENT COMPANIES, ACTS AND OTHER BODIES .....	7
Reports referred to the Committee .....	7
Reports dealing with Acts.....	7
Reports dealing with government companies.....	7
Conclusion.....	8
<b>APPENDIX 1 .....</b>	<b>9</b>
LIST OF ANNUAL REPORTS REFERRED TO THE COMMITTEE DURING THE PERIOD 1 NOVEMBER 1999 TO 30 APRIL 2000 AND DATE OF TABLING IN THE SENATE .....	9
AGRICULTURE, FISHERIES AND FORESTRY PORTFOLIO .....	9
TRANSPORT AND REGIONAL SERVICES PORTFOLIO .....	10

# PREFACE

## Terms of Reference

Under Senate Standing Order 25 (21), 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 shall:

- (a) Examine each annual report referred to it and report to the Senate whether the report is apparently satisfactory.
- (b) Consider in more detail, and report to the Senate on, each annual report which is not apparently satisfactory, and on the other annual reports which it selects for more detailed consideration.
- (c) Investigate and report to the Senate on any lateness in the presentation of annual reports.
- (d) In considering an annual report, take into account any relevant remarks about the report made in debate in the Senate.
- (e) If the committee so determines, consider annual reports of departments and budget-related agencies in conjunction with examination of estimates.
- (f) Report on annual reports tabled by 31 October each year by the tenth sitting day of the following year, and on annual reports tabled by 30 April each year by the tenth sitting day after 30 June of that year.
- (g) Draw to the attention of the Senate any significant matters relating to the operations and performance of the bodies furnishing the annual reports.
- (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.<sup>1</sup>

Under the procedural order, the Senate agreed that two departments should be allocated to the Rural and Regional Affairs and Transport Legislation Committee, namely Transport and Regional Services and Agriculture Fisheries and Forestry.<sup>2</sup>

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1 *Standing orders and other orders of the Senate*, February 2000, pp 27-28. (This Standing Order was amended 24 August 1994, 13 February 1997, 11 November 1998 and 3 December 1998).

2 *Standing orders and other orders of the Senate*, Procedural orders of continuing effect, Committees: No 1, February 2000, p 117.

## **Role of annual reports**

The tabling of annual reports continues to be an important element of accountability to Parliament. This was recognised in correspondence dated 18 March 1994 from the Department of Prime Minister and Cabinet to departmental secretaries which stated:

Annual reports provide the information necessary for ministers and the Parliament to make informed judgements about the effectiveness of a department in meeting its program objectives... Annual reports are now considered to be the key accountability document for reviewing actual outcomes for the past financial year<sup>3</sup>

The importance of annual reports is further enhanced by the use of them by committees in conjunction with their examination of estimates.

## **Timing of presentation of reports**

As stated in Standing Order 25(21)(f), legislation committees are required to report on annual reports tabled by 31 October each year by the tenth sitting day of the following year. Committees are also required to report on annual reports tabled by 30 April each year by the tenth sitting day after 30 June of that year.

## **Reports referred to the Committee**

This report examines the annual reports referred to the Committee between 1 November 1999 and 30 April 2000. The Committee has previously noted and reported on annual reports referred to it from time to time.

During this period twenty reports were referred to the Committee. These reports included:

- 10 statutory authorities;
- 1 non-statutory body;
- 5 companies;
- reports on the operation of 2 Acts;
- the National Residue Survey Program and
- the Australian Land Transport Development Program.

A complete list of the reports referred to the Committee appears at Appendix 1.

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3 *Correspondence*, Department of the Prime Minister and Cabinet, 18 March 1994, pp 1-2



### **‘Apparently satisfactory’**

Under the terms of the procedural order, the Committee is required to report to the Senate on whether the reports are apparently satisfactory. In making this assessment, the Committee considers aspects such as the timeliness of presentation and compliance with relevant reporting guidelines.

The Committee considers that all annual reports examined in this report are ‘apparently satisfactory’.

### **Reports not examined**

The Committee is not obliged to report on corporate plans or equity and diversity plans and did not do so on this occasion.

**Senator Winston Crane**

**Chairman**

Rural and Regional Affairs and Transport Legislation Committee

September 2000



# CHAPTER 1

## DEPARTMENTAL ANNUAL REPORTS

### Reporting guidelines

1.1 *The Public Service Act 1922* requires that annual reports by departments be prepared in accordance with guidelines presented to the Commonwealth parliament from time to time.

1.2 In April 1991, the Department of the Prime Minister and Cabinet issued revised guidelines for the production of departmental annual reports, entitled *Guidelines for the preparation of annual reports of departmental annual reports*.<sup>1</sup> The reports of the Department of Transport and Regional Services and the Department of Agriculture, Fisheries and Forestry were examined with reference to these guidelines.

1.3 The Committee notes that under the guidelines, a departmental annual report is 'to contain a statement by the secretary that the report has been prepared under subsection 25(6) of the *Public Service Act 1922* and in accordance with guidelines referred to in subsection 25(7).'<sup>2</sup> The 1998-1999 annual reports of the Department of Transport and Regional Services and the Department of Agriculture, Fisheries and Forestry contain such a statement in their letters of transmittal.

### Comments

1.4 The annual reports of the Department of Transport and Regional Services and the Department of Agriculture, Fisheries and Forestry were examined in the *Report on the Examination of Annual Reports No 2 of 1999*.

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1 These guidelines were subsequently updated in March 1994 and April 1998

2 Guidelines for the preparation of departmental annual reports, Department of Prime Minister and Cabinet, April 1991, p 8



## CHAPTER 2

### ANNUAL REPORTS OF STATUTORY AUTHORITIES

#### Reports referred to the Committee

2.1 Ten annual reports of statutory authorities and one corporate plan were referred to the Committee for examination. A list of those reports is set out in appendix 1.

#### Reporting guidelines

2.2 The annual reports were examined with reference to the *Requirements for Departmental Annual Reports*, pursuant to subsection 25(7) of the *Public Service Act 1922*, presented by the Prime Minister after approval by the Joint Committee of Public Accounts and Audit on 12 May 1999 and the *Commonwealth Authorities and Companies Orders 1998*.

2.3 The Committee notes that the reporting requirements for statutory are guidelines only and therefore differing approaches and formats to reporting may be adopted. Nevertheless, the Committee considers that accountability to Parliament should be the central objective of these annual reports.

#### General issues arising from the reports

2.4 The Committee wishes to comment on matters that became apparent during its examination of the reports by statutory authorities. These matters essentially relate to the presentation of information and compliance with the guidelines.

#### *Presentation of information*

2.5 The Committee has been impressed that most of the reports examined have adopted tools to assist the reader in accessing the information contained within those documents. The Committee considers that the compilation of a detailed, concise table of contents is an important factor in accessing information easily. The Committee also considers that an alphabetical index, compliance index, organisation chart and a glossary of terms make the reports more 'readable'.

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2.6 The Committee would like to commend the following organisations for producing ‘readable’ reports considered to be of either a very high or high standard:

**Department of Transport and Regional Services**

- Civil Aviation Safety Authority
- Airservices Australia

**Department of Agriculture, Fisheries and Forestry**

- Australian Dried Fruits Board
- Australian Horticultural Corporation
- Australian Wheat Board (Final)
- Forest and Wood Products Research and Development Corporation

*Compliance with the guidelines*

2.7 The Committee considers that accountability to Parliament should be the central objective of annual reports and reiterates the need of statutory authorities to comply with the *Guidelines for the content, preparation and presentation of annual reports by statutory authorities*.

**Conclusion**

2.8 All the annual reports by statutory authorities examined in this report are considered by the Committee to be ‘apparently satisfactory’ according to the published guidelines.

## CHAPTER 3

### ANNUAL REPORTS OF NON STATUTORY BODIES

#### Reports referred to the Committee

3.1 The annual report of one non statutory body, the Murray-Darling Basin Commission was referred to the Committee for examination.

3.2 The Murray-Darling Basin Commission operates under the *Murray-Darling Basin Agreement 1992*, with the approval of the Commonwealth Parliament, the State Parliaments and the Legislative Assembly of the Australian Capital Territory. The Commission is a unique organisation, owned by the six governments. The annual report also incorporates the annual report of the Ministerial Council's Community Advisory Committee.

#### Reporting guidelines

3.3 The annual reports was examined with reference to the *Reporting requirements for the annual reports of non statutory bodies*, dated 8 December 1987.

#### General issues arising from the report

3.4 The Committee considers that the report was tabled in accordance with the requirements relating to timeliness.

3.5 The Committee considers that the report provides adequate and useful information regarding the role of the Commission and its activities during the 1998-99 financial year.

#### Conclusion

3.6 The annual report of the Murray-Darling Basin Commission is considered by the Committee to be 'apparently satisfactory' according to the published guidelines.





## CHAPTER 4

### ANNUAL REPORTS OF GOVERNMENT COMPANIES AND REPORTS DEALING WITH ACTS AND OTHER BODIES

#### Reports referred to the Committee

4.1 The reports of five government companies, two acts, statements of corporate intent from the Australian Rail Track Corporation Limited and the Sydney Airports Corporation Limited, a corporate plan from the Civil Aviation Safety Authority, a report on the National Residue Survey Program and progress reports from the Australian Land Transport Development Program were referred to the Committee for examination. A list of those reports is set out in Appendix 1.

#### Reports dealing with Acts

4.2 Under the terms of the procedural order, the Committee is not required to report on these reports. However, the Committee considers the reports to be useful and relevant documents.

#### Reports dealing with Statements of Corporate Intent and Corporate Plans

4.3 Under the terms of the procedural order, the Committee is not required to report on statements of corporate intent. However, the Committee considers the statements to be useful and relevant documents.

#### Reports dealing with government companies

4.4 In its report entitled *Government companies and their reporting requirements* published in November 1989, the Senate Standing Committee on Finance and Public Administration noted that ‘reporting requirements under companies legislation are less than the requirements faced by departments and statutory authorities’.<sup>1</sup> Notwithstanding this view, the Committee examined these reports in order to establish that comprehensive and useful information has been presented.

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1 Senate Standing Committee on Finance and Public Administration, *Government companies and their reporting requirements*, November 1989, p 2

4.5 The Committee considers that accountability to Parliament should be the central objective of annual reports and therefore the need of government companies to comply with the *Reporting requirements for the annual reports of non statutory bodies*.<sup>2</sup>

### **Conclusion**

4.6 The annual reports of the five organisations examined in this report are considered by the Committee to be ‘apparently satisfactory’ according to the published guidelines.

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2 Senate, *Hansard*, vol S. 124, 8 December 1987, pp 2643-5

## APPENDIX 1

### LIST OF ANNUAL REPORTS REFERRED TO THE COMMITTEE DURING THE PERIOD 1 OCTOBER 1999 TO 30 APRIL 2000 AND DATE OF TABLING IN THE SENATE

#### AGRICULTURE, FISHERIES AND FORESTRY PORTFOLIO

##### Date Tabled

##### *Statutory Authorities*

- Australian Dried Fruits Board – Report 1998-99 22 November 1999
- Australian Horticultural Corporation – Report 1998-99 22 November 1999
- Australian Wheat Board – Report 1998-99 [Final] 7 December 1999
- Forest and Wood Products Research and Development Corporation – Report 1998-99 15 February 2000
- Queensland Fisheries Joint Authority – Report 1998-99 14 March 2000
- Wheat Export Authority – Report 1998-99 15 March 2000

##### *Non-Statutory Body*

- Murray-Darling Basin Commission – Report 1998-99 22 November 1999

##### *Companies*

- Landcare Australia Limited – Report 1998-99 7 December 1999

##### *Other*

- National Residue Survey Program – Report 1998-99 22 November 1999

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## TRANSPORT AND REGIONAL SERVICES PORTFOLIO

### *Statutory Authorities*

- Airservices Australia – Report 1998-99 30 November 1999
- Civil Aviation Safety Authority – Report 1998-99 24 November 1999
- Civil Aviation Safety Authority – Corporate Plan for 1999-2000 to 2001-2002 15 February 2000
- Territory of Christmas Island Casino Surveillance Authority and Casino Controller – Reports 1998-99 24 November 1999
- Australian National Railways Commission – Report 1998-99 23 November 1999

### *Companies*

- Australian River Company Limited (formerly ANL Limited) - Report for period 1 July 1997 – 6 December 1998 9 December 1999
- Maritime Industry Finance Company Limited – Report 1998-99 22 November 1999
- National Rail Corporation Limited (National Rail) – Report 1998-99 8 December 1999
- Australian Rail Track Corporation Limited – Report 1998-99 7 December 1999
- Australian Rail Track Corporation Limited – Statement of Corporate Intent 1999-2000 5 April 2000
- Sydney Airports Corporation Limited – Statement of Corporate Intent 1999-2004 9 December 1999

### *Acts*

- *Local Government (Financial Assistance) Act 1995* - National Office of Local Government – Report 1998-99 on the operation of the Act 15 February 2000
- *Stevedoring Levy (Collection) Act 1998* – Report for 1999 4 April 2000

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*Other*

- Australian Land Transport Development Program –  
Progress Reports for 1995-96, 1996-97 and 1997-98

8 December 1999