

The Senate

Rural and Regional Affairs and
Transport Legislation Committee

Annual Reports (No. 1 of 2004)

March 2004

© Commonwealth of Australia

ISBN 0 642 71363 4

This document was produced from camera-ready copy prepared by the Senate Rural and Regional Affairs and Transport Legislation Committee, and printed by the Senate Printing Unit, Department of the Senate, Parliament House, Canberra.

MEMBERSHIP OF THE COMMITTEE

Members

Senator the Hon. Bill Heffernan	LP, New South Wales	Chairman
Senator Geoffrey Buckland	ALP, South Australia	Deputy Chairman
Senator John Cherry	AD, Queensland	
Senator Richard Colbeck	LP, Tasmania	
Senator Jeannie Ferris	LP, South Australia	
Senator Kerry O'Brien	ALP, Tasmania	

Participating Members

Senator Abetz	Senator Ferguson	Senator McLucas
Senator Bishop	Senator Harradine	Senator Murphy
Senator Boswell	Senator Harris	Senator Payne
Senator Brown	Senator Hutchins	Senator Ray
Senator Carr	Senator Knowles	Senator Santoro
Senator Chapman	Senator Lightfoot	Senator Stephens
Senator Coonan	Senator Mason	Senator Tchen
Senator Eggleston	Senator S MacDonald	Senator Tierney
Senator Evans	Senator Mackay	Senator Watson
Senator Faulkner	Senator McGauran	

Senator Allison for matters relating to the Transport portfolio

Senator Greig for matters relating to the Fisheries portfolio

Senator Lees for matters relating to air safety

Committee Secretariat

Ms Maureen Weeks	(Secretary)
Mr Andrew Bomm	(Research Officer)
Ms Michelle Lowe	(Executive Assistant)

Parliament House, Canberra

Telephone: (02) 6277 3511

Facsimile (02) 6277 5811

Internet: www.aph.gov.au/senate

Email: rrat.sen@aph.gov.au

TABLE OF CONTENTS

MEMBERSHIP OF THE COMMITTEE	iii
CHAPTER ONE	1
REVIEW OF ANNUAL REPORTS.....	1
INTRODUCTION.....	1
Senate Standing Orders	1
Requirements and purpose of annual reports	2
Reports dealing with Government Companies.....	2
Timing and presentation of reports.....	2
Timeliness.....	2
Reports referred to the Committee	3
Reports not examined	3
General Comments	3
CHAPTER TWO	5
DEPARTMENTAL ANNUAL REPORTS.....	5
Department of Agriculture, Fisheries and Forestry 2001-2002	5
Departmental Overview	5
Report on Performance	7
Management and Accountability.....	8
Comment.....	8
Department of Transport and Regional Services 2001-2002	8
Departmental Overview	9
Report on Performance	10
Management Accountability.....	11
Comment.....	12
CHAPTER THREE	13
ANNUAL REPORTS OF STATUTORY AUTHORITIES	13
Department of Agriculture, Fisheries and Forestry.....	13
Department of Transport and Regional Services	13
Cotton Research and Development Corporation.....	14
Australian Fisheries Management Authority	14
Dairy Adjustment Authority.....	15
Airservices Australia	15

Australian Maritime Safety Authority.....	16
National Capital Authority	16
Conclusion.....	17
APPENDIX ONE	19
LIST OF ANNUAL REPORTS REFERRED TO THE COMMITTEE DURING THE PERIOD 1 MAY 2003 TO 31 OCTOBER 2003	19
AGRICULTURE, FISHERIES AND FORESTRY PORTFOLIO.....	19
TRANSPORT AND REGIONAL SERVICES PORTFOLIO.....	21

CHAPTER ONE

REVIEW OF ANNUAL REPORTS

INTRODUCTION

Senate Standing Orders

1.1 In accordance with 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.¹

¹ *Standing orders and other orders of the Senate*, February 2002, pp. 27-28. (This Standing Order was amended 24 August 1994, 13 February 1997, 11 November 1998, 3 December 1998 and 13 February 2002).

Requirements and purpose of annual reports

1.2 Annual reports are required to adhere to the *Requirements for Annual Reports* (updated June 2002), issued by the Department of Prime Minister and Cabinet. The requirements were approved by the Joint Committee of Public Accounts and Audit, under subsections 63(2) and 70(2) of the *Public Service Act 1999*.²

1.3 The primary function of annual reports is that of public accountability through the formal examination of the performance of departments and agencies. The Requirements recognise annual reports as being "the principal formal accountability mechanism ... from departments through (or on behalf of) government to the Parliament".³ Annual reports provide important information on the department's success (or otherwise) in meeting targets established in the portfolio budget statements, allowing Parliament to make an informed judgment on departmental performance in administering government programs.

Reports dealing with Government Companies

1.4 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".⁴ Notwithstanding this view, the Committee examined these reports in order to establish that comprehensive and useful information has been presented. Government companies are also expected to comply with the provisions of sections 9 and 36 of the *Commonwealth Authorities and Companies Act 1997*.

Timing and presentation of reports

1.5 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. In this period that date is 10 March 2004. 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.

Timeliness

1.6 Under standing order 25 (21)(c) the Committee must also report to the Senate on the late presentation of annual reports.

2 Guidelines for annual reports by Statutory Authorities are contained in the Commonwealth Authorities and Companies Orders 1998; reporting requirements for Annual Reports of Non-Statutory Bodies are outlined in the government response to the recommendations contained in the report entitled, *Reporting Requirements for the Annual Reports of Non-Statutory Bodies*, Senate Hansard, Vol S.124, 8 December 1987, pp. 2643-5.

3 *Requirements for Annual Reports*, p.2

4 Senate Standing Committee on Finance and Public Administration, *Government Companies and their reporting requirements*, November 1989, p.2.

Reports referred to the Committee

1.7 This report includes annual reports referred to the Committee between 1 May 2003 and 31 October 2003.

1.8 During this period 32 annual reports were referred including:

- a) 2 departments of State;
- b) 21 statutory authorities;
- c) 1 non-statutory authority and;
- d) 8 other reports.

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

Reports not examined

1.10 Five reports on Acts and/or programmes associated with an Act were referred to the Committee as follows:

- a) Roads to Recovery Programme – Annual Report 2002-2003;
- b) Australian Land Transport Development Program – Progress Report – 2001-2002;
- c) Stevedoring Levy (Collection) Act 1998 – Report 2001;
- d) Stevedoring Levy (Collection) Act 1998 – Report 2002;
- e) Sydney Airport Demand Management Act 1997 – Quarterly Reports from 1 October 2001 – 31 March 2003.

1.11 The Committee has not considered these as part of this report.

General Comments

1.12 In accordance with Standing Order 25 (21)(a), 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 compliance with relevant reporting guidelines.

1.13 The Committee is pleased to note that generally the annual reports examined adhere to the reporting requirements satisfactorily and have maintained high standards of presentation. Where relevant, many reports detail programs and activities with a focus on performance measurement against outcomes and goals in relation to forecasts listed in Portfolio Budget Statements.

1.14 The Committee has made individual comments in this report on some of the annual reports examined. These were selected on the basis of the significant activities of these agencies and the Committee intends to examine the reports of other agencies in future years. Subject to these assessments, the Committee considers that the annual reports examined in this report are ‘apparently satisfactory’.

CHAPTER TWO

DEPARTMENTAL ANNUAL REPORTS

Department of Agriculture, Fisheries and Forestry 2001-2002

2.1 The Annual Report 2002-2003 for the Department of Agriculture, Fisheries and Forestry was tabled in the Senate on 28 October 2003. The report was prepared in accordance with the guidelines referred to in section 63 of the *Public Service Act 1999*.

2.2 The report is structured in accordance with the checklist of requirements contained in *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies, June 2003*. It provides an overview of the Department's organisational structure and operations and review of performance and future outlook by the Departmental Secretary. The report outlines in detail the Department's performance measured against output objectives and through management and accountability responsibilities subject to internal and external review, accompanied by a complete list of the department's financial statements. It also contains appendices detailing discretionary grants, consultancies and advertising and market research expenditure, freedom of information requirements, environmental performance, occupational health and safety information and disability strategy.

2.3 The Committee notes that all mandatory requirements for the report have been met.

Departmental Overview

2.4 The Committee notes that as of July 1 2002 a change to the Department's output structure came into effect, reflecting an Australian Government decision to outsource the administration of the National Food Industry Strategy. This change was reflected in the Department's output structure, reducing the number of outputs from nine to eight.

2.5 The outputs are:

- Natural Resources Access and Management;
- Innovation and Operating Environment;
- Industry Development and Adjustment;
- Market Access and Biosecurity;
- Product Integrity, Animal (including aquatic animal) and Plant Health;
- Quarantine and Export Services;

- Scientific Advice and;
- Economic Research.¹

2.6 In March 2003 the Department initiated a review into its two research bureaus, the Australian Bureau of Agricultural and Resource Economics (ABARE) and the Bureau of Rural Sciences (BRS). The report stated the exercise was "invaluable" in identifying areas where the two organisations can work more closely.²

2.7 In September 2002 the department also undertook a test of Australia's ability to prevent and respond to major pest or disease emergencies. Named Exercise Minotaur, the undertaking involved thousands of people from all levels of industry and government in examining national emergency arrangements, communication and decision-making. Described as the "largest, most complex exercise of its kind undertaken in Australia",³ Exercise Minotaur provided important lessons for disease control, such as the need for whole-of-government approach to such incidents and the critical role of information and coordination systems, as well as demonstrating the robust nature of existing systems.

2.8 The Committee notes the significant issues and developments that impacted on the Department during the reporting period. These included:

- (a) Severe drought conditions throughout Australia and the establishment of the Drought Taskforce in October 2002, responsible for coordinating the department's response to this event.
- (b) The implementation of the additional drought assistance package in December 2002 providing short term income support and interest rate relief to farmers most severely drought-affected.
- (c) Legislation passed on 27 March 2003 converting the Australian Dairy Corporation and the Dairy Research and Development Corporation into Dairy Australia, an industry-owned company that came into being on 1 July, 2003.
- (d) The signing of new market access protocols with China in June 2003 and contribution to negotiations with the United States, Thailand and Singapore on free trade agreements.
- (e) Continued work on the National Action Plan for Salinity and Water Quality, further consultation with the states and territories on reform to

1 Department of Agriculture, Fisheries and Forestry Annual Report 2002-03, p. 14

2 Department of Agriculture, Fisheries and Forestry Annual Report 2002-03, p. 11

3 Department of Agriculture, Fisheries and Forestry Annual Report 2002-03, p. 17

water management and use through the COAG water reform framework, and the extension of the Natural Heritage Trust.⁴

Report on Performance

2.9 The Committee recognises the increased demand on resources during 2002-03 as a consequence of the drought and the departmental initiatives necessitated by this event.

2.10 The Department has reviewed performance based on goals set in the 2002-2003 Portfolio Budget Statements (PBS). Performance is reviewed in accordance with the Department's Output structure. Each Output is comprehensively assessed by discussing objectives and activities and measuring performance against the departmental indicators.

2.11 The Committee notes that while quarantine intervention levels at airports, seaports and mail exchanges exceeded target levels, improvements are still to be made in quarantine effectiveness, particularly in relation to the Melbourne and Sydney international mail exchanges, sea cargo containers and 'higher risk' items at airports. The department states that infrastructure changes will allow effectiveness to improve at international mail centres, but offered no explicit remedies for the remaining areas failing to meet expectations.⁵

2.12 In relation to feedback and complaints on the department's activities, the department's client service telephone toll free service received 56 calls, of which only two were complaints and none were of a feedback nature. The department decided to disconnect the line in September 2003 on the basis that it was not an efficient use of resources.⁶

2.13 The Committee notes that the Department completed the year with an operating surplus of \$14.97 million in 2002-03, from \$4.73 million in 2001-02. \$5.5 million of this was attributed to under spending on Exceptional Circumstances Drought Relief payments and Sugar Industry Reform delivery costs, attributed to a lower than expected take up rate.⁷ Whether this applied to both EC and sugar reform is not clear from the text of the report.

4 Department of Agriculture, Fisheries and Forestry Annual Report 2002-03, pp. 1-4

5 Department of Agriculture, Fisheries and Forestry Annual Report 2002-03, pp. 133-34

6 Department of Agriculture, Fisheries and Forestry Annual Report 2002-03, p. 170

7 Department of Agriculture, Fisheries and Forestry Annual Report 2002-03, p. 186

Management and Accountability

2.14 The report provides concise information on corporate governance, external scrutiny, human resource management, purchasing, assets management, consultancies, advertising and market research activities, discretionary grants, freedom of information, occupational health and safety, Commonwealth Disability Strategy and ecologically sustainable development and environmental performance, as required by annual reporting guidelines.

2.15 The report states that, according to an ANAO follow-up audit, six of the nine recommendations from the 1999 Australian National Audit Office (ANAO) audit on pest and disease emergencies had been fully or largely implemented. The ANAO made no new recommendations and noted that the implementation of three outstanding recommendations was delayed but underway.⁸

2.16 The Committee notes that expenditure on consultancies during 2002-2003 was \$13,331,747.⁹ This is a slight increase of approximately \$500 000 on the 2001-2002 figure.

2.17 The Committee also notes that the Commonwealth Ombudsman inquired into the department's handling of one application under the Freedom of Information Act 1982, and that the matter was resolved without formal investigation or report.¹⁰

Comment

2.18 The Committee considers that the Department of Agriculture, Fisheries and Forestry has produced a clear, comprehensive and well presented annual report that complies with the reporting requirements of a Commonwealth Department.

Department of Transport and Regional Services 2001-2002

2.19 The Department of Transport and Regional Services Annual Report for 2002-2003 was tabled in the Senate on 8 October 2003. The report was prepared under the guidelines referred to in section 63 of the *Public Service Act 1999* and in accordance with the requirements in subsection 63(1) and other relevant legislation.

2.20 The report is structured in accordance with the requirements contained in *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies, June 2003*. It provides an overview of the Department's organisational structure and operations and review of the Department's performance and future restructuring initiatives by the Departmental Secretary. The report measures the

8 Department of Agriculture, Fisheries and Forestry Annual Report 2002-03, p 209

9 Department of Agriculture, Fisheries and Forestry Annual Report 2002-03, p. 226

10 Department of Agriculture, Fisheries and Forestry Annual Report 2002-03, p. 214

Department's performance against output objectives and through management and accountability responsibilities subject to internal and external review, accompanied by a complete list of the department's financial statements. It also contains appendices detailing discretionary grants, consultancies and advertising and market research expenditure, freedom of information requirements, environmental performance, occupational health and safety information and disability strategy.

2.21 The Committee notes that all mandatory requirements for the report have been met.

Departmental Overview

2.22 The department experienced financial difficulty in 2002-03, resulting in an operating loss of \$4.5 million. The Secretary described the Department's financial position in the following terms:

It is no secret that the department is facing financial challenges in relation to managing within its departmental expenses budget.¹¹

2.23 A 'work out/work up' strategy comprising of reforms designed to simultaneously manage current financial difficulties and improve long term organisational performance has been implemented. These include:

- (a) Fundamentally reorganising the department into five groups (Policy and Research, Programmes, Regulatory, Safety and Investigation and Corporate);
- (b) Setting financial targets for each group (rather than at the divisional level);
- (c) Developing specific business plans for each group;
- (d) Preparing plans for each SES officer, accompanied by plans for individual staff members reporting to them and;
- (e) Focusing on monthly reports on expenditures.¹²

2.24 The Committee notes the significant restructuring within the Department and will monitor the success of the new strategy in extricating the Department from its financial problems while maintaining performance in accordance with the objectives contained in the Portfolio Budget Statements.

11 Department of Transport and Regional Services Annual Report 2002-03, p. 5

12 Department of Transport and Regional Services Annual Report 2002-03, p. 5

2.25 The significant issues and developments during 2002-2003 that impacted on the Department included:

- (a) An ongoing focus on security issues and a continuing reform process to improve aviation security, maritime and port security and logistics supply chains;
- (b) Reforms to Australian airspace management through the introduction of the National Airspace System;
- (c) Proposed reform to land transport infrastructure contained in the Auslink Green Paper;
- (d) The passing of legislation to formally replace the National Road Transport Commission with the National Transport Commission and legislation enabling the expanded role of the ATSB in rail investigations and;
- (e) Ongoing negotiations on the Commonwealth leasing the NSW Interstate Rail Track.¹³

Report on Performance

2.26 The annual report details the Portfolio's activities and performance through the identification of departmental achievements against the objectives (or key results areas) outlined in the 2002-03 Portfolio Budget Statements (PBS). The report contains a rating scale that measures the level of achievement of programmes against performance indicators in the PBS. The rating scale is Achieved, Substantially Achieved, Partially Achieved and Not Achieved, accompanied by narrative comment and statistical data.

2.27 In relation to regional growth, the report stated that an integrated approach to regional development through support for local solutions was impeded by inconsistent government services and agencies' mixed advice to regions initiating their own strategies for growth.¹⁴ An explanation of how this problem practically affected country regions would have been useful in determining why regional growth objectives were not being met.

2.28 The Wide Bay-Burnett structural adjustment programme was also measured as having its objectives only partially achieved. \$1.2 million of a \$4 million package were allocated in 2002-03, funding nineteen projects (of which six have been

13 Department of Transport and Regional Services Annual Report 2002-03, pp. 2-3

14 Department of Transport and Regional Services Annual Report 2002-03, p. 88

completed) and directly creating approximately 100 jobs.¹⁵ No statement detailing the status of the remaining thirteen projects was provided.

2.29 As referred to above, the Committee notes the Department's total operating loss in 2002-03 of \$4.5 million. The report cites an approved operating loss of \$6.4 million associated with the Stronger Regions campaign as a reason for the deficit. The narrative provided with the financial performance report did not, however, reflect the financial difficulties admitted by the Secretary at the beginning of the report. The Committee notes this lack of candour in the body of the report and suggests a different approach next year.

Management Accountability

2.30 In accordance with the *Requirements for Annual Reports for Departments, Executive Agencies and FMD Act Bodies, June 2003*, the report provides mandatory information on external scrutiny, human resources, purchasing, assets management, consultancies, tendering and contracts, advertising and market research, discretionary grants, freedom of information, occupational health and safety, Commonwealth Disability Strategy and Ecologically sustainable development and environmental performance.

2.31 The Commonwealth Ombudsman received 50 complaints concerning the Department's actions, 44 being addressed through the year with 52 separate issues identified. The Ombudsman's Office found an arguable agency defect in 13.6% of cases, however there were no formal reports to the Minister under the provisions of the *Ombudsman Act 1976*.¹⁶

2.32 The Committee notes the Department's involvement in the case of *Friends of Merri Creek Incorporated v Meakins and Minister for Transport and Regional Services*. The report states that a decision from the Federal Court affecting the Craigieburn Bypass has not been handed down at the end of the financial year.¹⁷

2.33 The legal action *Marra v. the Department of Transport and Regional Services* concerning the powers of the Administrator of Vehicle Safety Standards under the *Motor Vehicles Standards Act 1989* also continues.¹⁸

15 Department of Transport and Regional Services Annual Report 2002-03, p. 103

16 Department of Transport and Regional Services Annual Report 2002-03, p. 130

17 Department of Transport and Regional Services Annual Report 2002-03, p. 125

18 Department of Transport and Regional Services Annual Report 2002-03, p. 125

Comment

The Committee considers that the Department of Transport and Regional Services has presented an annual report that complies with the reporting requirements of a Commonwealth Department. The Committee notes, however, that narrative comment on the Department's financial performance could be more frank, comprehensible and consistently presented in the report.

CHAPTER THREE

ANNUAL REPORTS OF STATUTORY AUTHORITIES

3.1 The following 2002-03 annual reports of statutory authorities were referred to the Committee:

Department of Agriculture, Fisheries and Forestry

Australian Fisheries Management Authority

Australian Pesticides and Veterinary Medicines

Cotton Research and Development Corporation

Dairy Adjustment Authority

Dairy Research and Development Corporation

Fisheries Research and Development Corporation

Grains Research and Development Corporation

Grape and Wine Research and Development Corporation

Land and Water Australia

Murray-Darling Basin Commission

Queensland Fisheries Joint Authority

Rural Industries Research and Development Corporation

Tobacco Research and Development Corporation

Torres Strait Protected Zone Joint Authority

Western Australian Fisheries Joint Authority

Department of Transport and Regional Services

Airservices Australia

Albury-Wodonga Development Corporation

Australian Maritime Safety Authority

Australian Maritime College

Independent Air Services Commission

National Capital Authority

3.2 The salient themes emerging from the Committee's review of the reports of the above statutory authorities were the drought and security issues relating to potential terrorist threats. The Committee also notes ongoing resource management and transport safety issues in an overview of the following selection of annual reports.

Cotton Research and Development Corporation

3.3 The Committee notes the financial difficulty associated with continuing levy-funded research and development into cotton during a period of substantially reduced yields due to drought conditions.

3.4 Although the financial result for 2002-03 was better than expected, due in part to bringing forward 2003-04 finances, the report stated that:

When combined with a continued deterioration in outlook for the coming season, 2003-04 income will probably fall to well below budgeted levels, meaning the Corporation will need to draw heavily on its reserves to maintain even a significantly reduced research and development program.¹

3.5 The report notes that a draft independent environmental audit from GHD Pty Ltd commented that the cotton industry had vastly improved its environmental practices, including better water resource efficiency and less reliance on pesticides, since the initial 1991 audit. The audit also stated, however, that significant improvements in these areas could still be achieved.²

3.6 The Committee considers that the Cotton Research and Development Corporation's annual report has met the reporting requirements for a statutory body.

Australian Fisheries Management Authority

3.7 The Australian Fisheries Management Authority (AFMA) noted in its 2002-03 annual report the increasing pressures on Australia's fish stocks through over fishing and incursions from illegal foreign fishing vessels.

3.8 The report highlighted a major restructure of AFMA's compliance services, though noted the strain placed on their compliance resources due to a record number of apprehensions in Australia's northern waters during the year. The restructure involved the reorganisation of AFMA's compliance, business and licensing and planning and service delivery functions.³

1 Cotton Research Development Corporation Annual Report 2002-03, p. 2

2 Cotton Research Development Corporation Annual Report 2002-03, pp. 22-23

3 Australian Fisheries Management Authority Annual Report 2002-03, p. vi - xii

3.9 In terms of financial performance, AFMA reported a deficit of \$296 000, down from a deficit of \$1 564 000 the previous year. Despite cash reserves, the report stated that future funding commitments and five consecutive deficits has led the Department of Finance and Administration to indicate:

... their intention to conduct a review of AMSA's financial health and examine the extent to which AFMA's deficits have been caused by new or increased responsibilities that AFMA now has to fund.⁴

3.10 The Committee notes the continued difficult financial position of AFMA and finds this clear and comprehensive report to conform to the reporting requirements for a statutory body.

Dairy Adjustment Authority

3.11 In its 2002-03 annual report, the Dairy Adjustment Authority (the Authority) reported that the focus of its work had been completing the Supplementary Dairy Assistance program. The Authority was established in April 2000 under the *Dairy Produce Act 1986* to administer financial assistance to eligible producers in adjusting to dairy market deregulation.

3.12 Discretionary payments to eligible farmers were reported to have almost been completed by December 2002 and the Authority reports being in its winding up phase, but will continue operating until the last payments are made in 2008. The Authority continues to deal with remaining appeals to the Administrative Appeals Tribunal.

3.13 The Committee finds the Dairy Adjustment Authority's report to meet the reporting requirements for a statutory body.

Airservices Australia

3.14 Airservices Australia's 2002-03 annual report highlighted a continued downturn in aviation activity due to ongoing concerns over terrorism, the outbreak of SARS and the beginning of the war in Iraq. The report also noted assigning considerable resources to assist the planning and implementation of the National Airspace System.⁵

3.15 The report indicated a slight drop in customer satisfaction from 2001-02, but noted that satisfaction remained high despite the year being "a difficult period in Australian aviation".⁶

3.16 Operating profit was reported to be \$32.7 million, a 31.5% increase from the previous year. Airservices also reported a \$2 million increase in tax due to an over-

4 Australian Fisheries Management Authority Annual Report 2002-03, p109

5 Airservices Australia Annual Report 2002-03, p12, 13

6 Airservices Australia Annual Report 2002-03, p19

claiming of depreciation deductions over a number of years.⁷ The Committee notes this unfavourable aspect of Airservices' financial management.

3.17 The Committee recognises Airservices' estimation of an 890 000 tonnes per annum saving in carbon dioxide emissions with improvements to air traffic flow efficiency and the redesigning of air routes to reduce airline fuel burn.⁸

3.18 The Committee also notes, however, that Airservices failed to provide data on customer complaints and the organisation's response to those, notwithstanding the inclusion of their service charter and mechanisms for lodging complaints. The Committee requests that such information is included in next year's annual report.

3.19 Apart from this omission, the Committee considers Airservices Australia's annual report has met the reporting requirements for a statutory body.

Australian Maritime Safety Authority

3.20 The Australian Maritime Authority's (AMSA) 2002-03 annual report stated that the primary focuses of the year were safety and environmental protection. The report also cited ANAO's positive audit of the organisation, particularly in relation to risk management and administration, as one of the year's highlights.⁹

3.21 The Committee notes that AMSA has provided inadequate discussion of the organisation's financial performance for 2002-03. AMSA is reminded that this is required in accordance with the *Requirements for Annual Reports* guidelines approved by the Joint Committee of Public Accounts and Audit under subsections 63(2) and 70(2) of the *Public Service Act 1999*.

3.22 The Committee also notes that other requirements such as information on certification of fraud and expenditure on consultants appeared to be missing from the report, compounded by the difficulty of finding information due to an incomplete index. The Committee recommends closer attention to the aforementioned guidelines when compiling next year's report.

National Capital Authority

3.23 The National Capital Authority's (the Authority) 2002-03 annual report noted the challenges presented by the dual natural disasters of bushfire and drought. The Committee recognises the Authority's efforts towards the bushfire recovery and the implementation of a Drought Water Restriction policy meeting targets without significant impact on Canberra's national areas.¹⁰

7 Airservices Australia Annual Report 2002-03, p. 21

8 Airservices Australia Annual Report 2002-03, pp. 26-27

9 Australian Maritime Safety Authority Annual Report 2002-03, p. 6

10 National Capital Authority Annual Report 2002-03, p. ix

3.24 The Authority reported an operating deficit of \$798 866 for the year, attributed mainly to higher-than-expected expenses including increased insurance costs.¹¹

3.25 The Authority reported that Reconciliation Place was officially opened on July 22, 2003 by the Prime Minister and further work on the site was proposed for 2003-04.¹²

3.26 The Committee notes that the Authority provided only limited detail of ANAO external audits in a clearly titled, discrete section of the report and requests that this be addressed in the report next year.

3.27 The Committee considers the Authority's report to meet the reporting requirements of a statutory report and commends their inclusion of a compliance index. This is a very helpful tool for the Committee in compiling this report and should be included in every annual report from statutory authorities.

Conclusion

3.28 The Committee notes that the Civil Aviation Authority, Sugar Research and Development Corporation and the Australian Wine and Brandy Corporation's 2002-03 annual reports were not tabled and received by the Committee before 31 October 2003. They will be considered in report No. 2 of 2004.

3.29 The Committee also notes that although the compliance index is no longer a mandatory requirement, the continued inclusion of this index by some agencies is welcomed, providing substantial assistance to the Committee in the process of reviewing these reports. All agencies are encouraged to assist the Committee by including a compliance index.

3.30 The Committee considers the reports tabled to comply with the relevant guidelines and wishes to commend the agencies generally on the timeliness and clarity of their annual reports.

11 National Capital Authority Annual Report 2002-03, p. 14

12 National Capital Authority Annual Report 2002-03, p. 29

APPENDIX ONE

LIST OF ANNUAL REPORTS REFERRED TO THE COMMITTEE DURING THE PERIOD 1 MAY 2003 TO 31 OCTOBER 2003 AND DATE OF TABLING IN THE SENATE

AGRICULTURE, FISHERIES AND FORESTRY PORTFOLIO

<i>Department of State</i>	<i>Date Tabled</i>
Department of Agriculture, Fisheries and Forestry – Report 2002-03	28 October 2003
Department of Agriculture, Fisheries and Forestry – Report 2001-02 – Corrigendum	17 June 2003
 <i>Statutory Authorities</i>	
Australian Fisheries Management Authority – Report 2002-2003	15 October 2003
Australian Pesticides and Veterinary Medicines Authority – Report 2002-03	28 October 2003
Cotton Research and Development Corporation – Report 2002-2003	27 October 2003
Dairy Adjustment Authority – Report 2002-2003	28 October 2003
Dairy Research and Development Corporation – Report 2002-03	28 October 2003
Fisheries Research and Development Corporation – Report 2002-03	28 October 2003
Grains Research and Development Corporation – Report 2002-2003	28 October 2003
Grape and Wine Research and Development Corporation – Report 2002-2003	29 October 2003
Land and Water Australia – Report 2002-03	28 October 2003

Murray-Darling Basin Commission – Report 2001-02	12 August 2003
Queensland Fisheries Joint Authority – Report 2001-02	9 September 2003
Rural Industries Research and Development Corporation – Report 2002-03	28 October 2003
Tobacco Research and Development Corporation – Report 2002-03	28 October 2003
Torres Strait Protected Zone Joint Authority – Report 2001-02	20 August 2003
Western Australian Fisheries Joint Authority – Report 2000-01	24 June 2003
 <i>Other</i>	
Australian National Residue Survey – Report 2001-2002	14 October 2003

TRANSPORT AND REGIONAL SERVICES PORTFOLIO

<i>Department of State</i>	<i>Date Tabled</i>
Department of Transport and Regional Services – Report 2002-03	8 October 2003
<i>Statutory Authorities</i>	
Airservices Australia – Report 2002-2003	28 October 2003
Albury-Wodonga Development Corporation – Report 2002-2003	15 October 2003
Australian Maritime Safety Authority – Report 2002-2003	28 October 2003
Australian Maritime College – Report 2002	17 June 2003
Independent Air Services Commission – Report 2002-03	8 October 2003
National Capital Authority – Report 2002-03	30 October 2003
<i>Non-Statutory Authorities</i>	
National Road Transport Commission – Report 2003	23 October 2003
<i>Other</i>	
Australian Land Transport Development Program – Progress Report – 2001-02	17 June 2003
Roads to Recovery Programme – Report 2002-2003	9 September 2003
Stevedoring Levy (Collection) Act 1998 – Report 2001	14 May 2003
Stevedoring Levy (Collection) Act 1998 – Report 2002	14 May 2003
Sydney Airport Demand Management Act 1997 – Quarterly Reports from 1 October 2001 – 31 March 2003	17 June 2003
Civil Aviation Safety Authority – Corporate Plan – 2002-03 to 2004-05	14 October 200

