
Foreign Affairs, Defence and Trade Legislation Committee

Annual reports (No. 1 of 2004)

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Preface

Introduction

1. The Committee is responsible for examining annual reports of departments and agencies within two portfolios: Defence (including the Department of Veterans' Affairs), and Foreign Affairs and Trade.¹

2. Under Standing Order 25 (21), the Committee is required to report on annual reports tabled by 31 October each year by the tenth sitting day of the following year, and on reports tabled by 30 April each year by the tenth sitting day after 30 June of that year.

3. The standing order states:

Annual report 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; and
- h) report to the Senate each year whether there are any bodies which do not present annual reports to the Senate and which should present such reports.

1 See appendix 1 for a list of all departments and agencies under these portfolios.

Role of annual reports

4. Annual reports place a great deal of information about government departments and agencies on the public record. Accordingly, the tabling of annual reports continues to be an important element of accountability to Parliament. The information provided in annual reports assists Parliament in the effective examination of the performance of departments and agencies and the administration of government programs.

Assessment of annual reports

5. The annual reports are examined by the Committee to determine whether they are timely and ‘apparently satisfactory’.² In the process of assessment, the Committee considers whether the reports comply with the relevant requirements for the preparation of annual reports of departments and authorities.

6. The requirements are...

- for portfolio departments: *Public Service Act 1999*, subsections 63(2) and 70(2), and the *Requirements for annual reports for departments executive agencies and FMA Act bodies*, Department of Prime Minister and Cabinet, June 2003;
- for Commonwealth authorities and companies: the *Commonwealth Authorities and Companies Act 19*; in particular, the *Commonwealth Authorities and Companies (Report of Operations) Orders 2002*; and
- for non-statutory bodies: the guidelines are contained in the Government response to the report of the Senate Standing Committee on Finance and Government Operations on Non-statutory bodies, Senate *Hansard*, 8 December 1987, vol s.124, pp. 2643–45 (requirements were modified in 1987).

Excerpts of the reporting requirements are at appendix 3.

General comments on the annual reports

7. The following annual reports have been examined by the Committee:

Defence portfolio

Australian Military Forces Relief Trust Fund
Australian Strategic Policy Institute
Australian Submarine Corporation
Australian War Memorial
Defence Force Remuneration Tribunal
Defence Force Retirement and Death Benefits Scheme

2 See appendix 2 for a compliance table of the reports referred to the Committee.

Department of Defence

Department of Veterans' Affairs, Repatriation Commission and the National Treatment Monitoring Committee

Military Superannuation and Benefits Scheme

Repatriation Medical Authority

Royal Australian Air Force Veterans' Residences Trust Fund

Royal Australian Air Force Welfare Trust Fund

Royal Australian Navy Relief Trust Fund

Veterans' Review Board.

Foreign Affairs and Trade portfolio

Australia–Indonesia Institute

Australian Agency for International Aid Development (AusAID)

Australian Centre for International Agricultural Research (ACIAR)

Australian Safeguards and Non–Proliferation Office

Australian Trade Commission (Austrade)

Department of Foreign Affairs and Trade

Export Finance and Insurance Corporation (EFIC).

8. The Committee examined all of the annual reports referred to it and found them to be of a satisfactory standard. They effectively described the function, activities and financial positions of the various departments and agencies. There were no comments in the Senate on any of these reports. The Committee therefore finds all of the annual reports to be “apparently satisfactory”.



Sandy Macdonald

Chair

Chapter 1

Annual reports of departments

Department of Defence

1.1 The Defence Annual Report 2002–2003 was presented to the President of the Senate on 31 October 2003.

1.2 Mr Ric Smith, Secretary of the Department of Defence and General Peter Cosgrove, Chief of the Defence Force, in their joint review of the year, noted that Defence ‘continued to respond to the broad and complex demands created by a changed environment. The high operational tempo of the last few years continued and the diversity of task confronting Defence expanded’:

Responding to the tragedy of the Bali bombing, the US-led operation in Iraq to enforce United Nations’ Security Council resolutions, and the continuing commitment to the war on terror, demanded high levels of operational performance throughout the year. Financial management, acquisition reforms and improved business processes generally were given increased attention and will remain a major focus during the next 12 months and beyond.¹

1.3 The joint review also noted the success of ADF operations throughout the year, particularly those in Afghanistan and Iraq, which ‘attested to the ability of Defence to develop, maintain and field world-class military capabilities. It also reaffirmed Defence’s ability to deploy and maintain forces in distant theatres and in difficult environmental conditions’.²

1.4 Last year the Committee commented on ‘inadequacies in the Department’s inventory systems... and [its] continued efforts to further improving accountability in these areas...’³ This year’s Defence report outlined the ‘comprehensive financial transformation agenda that seeks to significantly improve Defence’s financial management capability’.

1.5 The Secretary and CDF, in their review, stated that ‘the strategy aims to embed lasting processes and understandings which will support more effective planning, estimation and reporting of Defence finances’:

In particular, Defence put in place financial statements improvements plans that focused attention on high-risk financial areas, including inventory and other asset areas that were the subject of the 2001–2002 audit qualification.

1 Defence Annual Report 2002–2003, p. 3

2 Defence Annual Report 2002–2003, p. 4

3 Report on Annual Reports No 1 of 2003, pp. 5–6

These plans were prepared in consultation with the ANAO and designed to ensure that all steps in the financial statement preparation process were undertaken, our quality assurance procedures were completed and that the required internal sign-offs and assurances were received.⁴

1.6 Several other ‘financial transformation’ achievements noted for 2002–2003 were:

- the most comprehensive budget statement ever delivered by Defence;
- the development of a ten-year view of the budget that was approved and released prior to the end of the financial year; and
- development of the business model and internal business rules.⁵

1.7 Once again, along with the table of contents, the Department has included a comprehensive list of tables and charts, a glossary and an alphabetical index. These combine to allow the reader to quickly navigate to any area or subject within the report.

1.8 The Committee finds the Defence Annual Report to be both an informative and a well produced account of the Department’s activities over the past year and that it meets all the requirements for departmental annual reports.

Department of Foreign Affairs

1.9 The Department of Foreign Affairs and Trade Annual Report 2002–2003 was tabled in the Senate on 15 October 2003.

1.10 In the Secretary’s review, Dr Ashton Calvert stated that the year under review had been one of unprecedented challenge and great achievement:

Our external environment underwent further profound change as a result of the October 2002 Bali tragedy, which was a defining moment for all Australians. We provided rapid and highly professional crisis management and consular assistance in Bali itself, and played a key role in coordinating a comprehensive national response. We have also been in the forefront of efforts to forge effective counter-terrorism cooperation in the region.

...

In 2002–03 we were engaged in extensive efforts to win greater access to international markets for Australian business. These encompassed bilateral trade negotiations, regional efforts and our foremost trade priority, the World Trade Organisation WTO) Doha Round of multilateral negotiations.

4 Defence Annual Report 2002–2003, pp. 12–13

5 Defence Annual Report 2002–2003, p. 11

While the Doha Round experienced setbacks, we were able to make good progress in other areas, particularly in bilateral trade negotiations.⁶

1.11 The Secretary also stated that in February 2003, The Minister for Foreign Affairs and the Minister for Trade, released *Advancing the National Interest—Australia's foreign and trade policy white paper*. The department had primary responsibility for planning and drafting the White Paper, which set out the Government's strategies for advancing Australia's interests.⁷

1.12 Once again, for ease of reporting, the report of the Department of Foreign Affairs and Trade (DFAT) has been divided into two volumes. Volume 1, which is examined in this chapter deals with DFAT proper, while volume 2 reports on the Australian Agency for International Development (AusAID).

1.13 The Committee congratulates DFAT on the presentation of this report which continues to meet the high standards attained by the Department in the preparation of its previous annual reports. The Committee particularly appreciated the inclusion of an extensive index and table of contents in the report which assisted considerably in the location of specific information. This annual report captures well the complexities of the Department. It presents the activities of the Department in a clear, concise manner allowing the reader to locate almost all issues or subjects of interest with a minimum of effort.

1.14 The Committee accepts that the report has been prepared in accordance with the guidelines and finds that DFAT has met the reporting requirements for a departmental report.

Department of Veterans' Affairs

1.15 The Department of Veterans' Affairs Annual Report 2002–03 was tabled in the Senate on 15 October 2003.

1.16 Dr Neil Johnston, Secretary of the Department of Veterans' Affairs stated in the *President/Secretary's review*, that the Clarke Committee's Review of Veterans' Entitlements was released in February 2003. 'The report made 109 recommendations, drawing on more than 3,000 submissions from veteran organisations, individuals and interested parties. The Govt is considering the Report's recommendations'.⁸

1.17 Also of significance to the Department was the release in June 2003, of the draft military Rehabilitation and Compensation Bill. The Secretary noted that when

6 Department of Foreign Affairs and Trade Annual Report 2002–2003, p. 3

7 Department of Foreign Affairs and Trade Annual Report 2002–2003, p. 3

8 Department of Veterans' Affairs Annual Report 2002–2003, p. ix

finalised, the legislation will have far-reaching implication for the [Repatriation] Commission and the Department.

1.18 The proposed scheme will rest in the Veterans' Affairs portfolio, administered by a Military Rehabilitation and Compensation Commission with administrative support from DVA:

Administering the new scheme will see the Commission and the Department continue to strengthen their links with the Department of Defence and extend our services to take in all service men and women.⁹

1.19 As observed in last year's report on annual reports, the Committee notes the Department's continued investment in information technology resources. The Secretary explained that:

In August 2002, DVA extended its IT contracts with IBM Global Services Australia for a period of three years. The extension incorporates substantial changes to the old contract and to how services will be provided to by IBM GSA. Work has commenced on the management framework in the new IT infrastructure to be provided under the contract and implemented during the course of 2003–04. The new infrastructure will adopt a 'thin client' orientation, which will improve the speed and reliability of desktop PCs and systems will have a flow-on effect on delivery of services to the veteran community.¹⁰

1.20 The Committee commends the Department on producing a clear, concise and legible list of tables and appendices detailing the Department's financial position, assets and commitments.

1.21 In conclusion, the Committee finds that the Department of Veterans' Affairs has once again submitted a comprehensive and well designed annual report that meets all the reporting requirements for a Commonwealth Department.

9 Department of Veterans' Affairs Annual Report 2002–2003, p. ix

10 Department of Veterans' Affairs Annual Report 2002–2003, p. x

Chapter 2

Annual reports of statutory and non-statutory authorities and government companies

Defence portfolio

Australian War Memorial

2.1 The Australian War Memorial Annual Report 2002–2003 was tabled in the Senate on 28 October 2003. The Australian War Memorial (AWM) is a statutory authority within the Veterans' Affairs portfolio and functions in accordance with the requirements of the *Australian War Memorial Act 1980* and the *Commonwealth Authorities and Companies (CAC) Act 1997*.¹

2.2 'The purpose of the Australian War Memorial is to commemorate the sacrifice of those Australians who have died in war.'²

2.3 In the Chairman's Report, Mr Adrian Clunies-Ross was pleased to report that all the performance indicators were again positive:

The Memorial's financial position is sound and, despite a downturn in visitation across the ACT and the surrounding region after the Canberra bushfires in January and the impact of significant international events, visitor numbers remain relatively high. In January, the Memorial again took part in the National Tourism Awards and for the third year in succession won the award for the Major Tourist Attraction.³

2.4 Two major exhibitions were developed and displayed in the Memorial's Special Exhibition Gallery. *Stolen years: Australian prisoners of war* recounts the story of Australian prisoners of war from the First World War to Korea. The second exhibition is *War without boundaries: Australia and the war against terrorism*. It draws mainly on Peter Churcher's work as official war artist and provides an insight into Australia's involvement in this ongoing world problem.⁴

2.5 The Committee is pleased to note that the Memorial's travelling exhibitions program continues to be a valuable outreach activity, with exhibitions travelling to

1 Australian War Memorial Annual Report 2002–2003, p. 2

2 Australian War Memorial Annual Report 2002–2003, p. 1

3 Australian War Memorial Annual Report 2002–2003, p. 3

4 Australian War Memorial Annual Report 2002–2003, p. 7

every state and territory. There are currently six exhibitions at different venues around Australia.⁵

2.6 The Committee also notes the continuous major focus on the conservation of the AWM's collection and the selective acquisition of items to overcome weaknesses in it. In particular, the total rebuild of a RAAF Beaufort bomber, which crashed in Tadj, New Guinea in 1945. The Beaufort bomber 'was a very significant aircraft both for the RAAF and for local Australian production: it was our main bomber type in the pacific and resulted from a major industrial undertaking'.

2.7 The report also stated that another continuing conservation project during the year has been the Lancaster bomber 'G for George'. It will be the centrepiece of a new 'object theatre' presentation in ANZAC Hall entitled *Striking by night*.⁶

2.8 The Committee considers the Australian War Memorial Annual Report 2002–2003 to be well produced and that it meets all of the reporting requirements for statutory authorities.

Australian Strategic Policy Institute

2.9 The Australian Strategic Policy Institute Annual Report 2002–2003 was tabled in the Senate on 13 October 2003.

2.10 The Australian Strategic Policy Institute (ASPI) is a statutory authority which functions in accordance with the requirements of the Commonwealth Authorities and Companies (CAC) Act 1997.⁷

2.11 The annual report states under *Outcomes* that

ASPI's constitution establishes four broad purposes for the Institute: to encourage and inform public debate and understanding of Australia's strategic and defence policy choices, to provide an alternative source of policy ideas to Government, to nurture expertise in defence and strategic policy; and, to promote international understanding of Australia's strategic and defence policy perspectives.⁸

2.12 Under *Outputs* the report states that 'the Institutes outputs are the strategy by which we achieve our objectives. We now have a well-developed program of

5 Australian War Memorial Annual Report 2002–2003, pp. 7

6 Australian War Memorial Annual Report 2002–2003, pp. 7–8

7 Australian Strategic Policy Institute Annual Report 2002–2003, covering letter to the Minister

8 Australian Strategic Policy Institute Annual Report 2002–2003, pp. 14–15

publications, events and other initiatives that contribute to the delivery of our outcomes’.⁹

2.13 The Committee notes that the 2003–2003 financial year was the first full year of operation for the Institute. The Institute produces a range of publications that deal with the full spectrum of defence policy challenges—strategic, force structure and budgetary. It also runs a number of events each year—seminars, briefings, a program of international visitors and bilateral dialogues. ‘Each contributes to at least one of our objectives, but more often they deliver a range of outcomes’.¹⁰

2.14 The Committee considers ASPI’s Annual Report 2002–2003 to be a well produced and accurate account of the Institute’s activities and complies with the reporting requirements of a statutory authority.

Other reports

2.15 Other Defence portfolio authorities, agencies and/or companies which had their annual reports examined by the Committee, but were not otherwise commented upon in this edition, include:

- Australian Military Forces Relief Trust Fund Annual Report 2002–2003
- Australian Submarine Corporation Annual Report 2003
- Defence Force Remuneration Tribunal Eighteenth Annual Report 2002–2003
- Defence Force Retirement and Death Benefits Scheme Authority Annual Report 2002–2003
- Military Superannuation and Benefits Scheme Board Annual Report 2002–2003
- Repatriation Medical Authority Ninth Annual Report 2002–2003
- Royal Australian Air Force Veterans’ Residences Trust Fund Annual Report 2002–2003
- Royal Australian Air Force Welfare Trust Fund Annual Report 2002–2003
- Royal Australian Navy Relief Trust Fund Annual Report 2002–2003
- Veterans’ Review Board Annual Report 2002–2003.

2.16 The Committee considers that all the annual reports of the above-mentioned organisations fully met their respective reporting requirements.

9 Australian Strategic Policy Institute Annual Report 2002–2003, pp. 14–15

10 Australian Strategic Policy Institute Annual Report 2002–2003, p. 14

Foreign Affairs and Trade portfolio

Australian Agency for International Development (AusAID)

2.17 The Australian Agency for International Development Annual Report 2002–2003 was tabled in the Senate on 15 October 2003

2.18 According to the annual report AusAID administers Australia's overseas aid program. The objective of the aid program is to advance Australia's national interest by assisting developing countries to reduce poverty and achieve sustainable development.¹¹

2.19 AusAID provides policy advice and support to the Minister and Parliamentary Secretary on development issues and develops and manages effective and innovative poverty reduction programs in partnership with developing countries, Australian businesses, non-government organisations and international agencies. It is an administratively autonomous agency within the Foreign Affairs and Trade portfolio. AusAID reports directly to the Minister for Foreign Affairs on all aspects of aid policy and operations. The agency has representatives in 25 Australian diplomatic missions overseas.

2.20 In the Director General's review, Mr Bruce Davis, stated that in 2002–2003 AusAID had encountered a rapidly changing international and regional environment marked by rising concerns over security. He also noted that:

...the aid program played an important part in Australia's responses to the Bali bombings, the war against Iraq and the outbreak of Severe Acute Respiratory Syndrome (SARS). Concerns over the performance of a number of our close regional neighbours led to new demands on Australia.

...

In the midst of these developments, the Minister for Foreign Affairs made his 11th Statement to Parliament, *Australian Aid: investing in growth, stability and prosperity*, in September 2002. This statement, which was the first comprehensive statement of aid policy since 1997, set down the key principles of the government's approach. It positioned the aid program to respond effectively and rapidly to new and emerging challenges, underpinned by a sound but evolving understanding of aid development.¹²

2.21 Under 'Corporate management and accountability', the Director General stated that AusAID continued to ensure high standards of corporate governance and

11 Australian Agency for International Development Annual Report 2002–2003, p. 7

12 Australian Agency for International Development Annual Report 2002–2003, p. 3

accountability. The agency continued to implement the Strategic Plan by strengthening policy and analytical work to better inform aid delivery. The plan allows AusAID to respond effectively to a rapidly changing international environment.

2.22 The Committee notes in particular, that AusAID is actively improving its strategy for developing its staff, business relationships and risk management systems.¹³

2.23 The Committee finds that AusAID's annual report provides a comprehensive coverage of the organisation's activities during 2002–2003. As usual the Committee considers this annual report to be informative and produced in a manner which allows the reader easy access to information. The Committee concludes that this report complies with all reporting requirements for non-statutory authorities.

Australian Trade Commission (Austrade)

2.24 The Australian Trade Commission Annual Report 2002–2003 was tabled in the Senate on 14 October 2003

2.25 The annual report states that 'The Australian Trade Commission (Austrade) is the Federal Government's export and international business facilitation agency'. It is responsible to the Minister for Trade and the Australian Government under the *Australian Trade Commission Act 1985*, *Commonwealth Authorities and Companies Act 1997*, and the *Export Market Development Grants Act 1997*.¹⁴

2.26 In his *Managing Director's report*, Mr Peter O'Byrne stated that the year 2002–2003 for Austrade was one of strong achievement, setting a firm foundation for achieving a key Government objective—that of doubling the number of Australian exporters by 2006:

Our primary driver is to increase the number of Australian exporting and in this measure, we demonstrated solid achievements by playing an acknowledged role in the export success of 2,015 Australian businesses, an increase of 34 per cent over 2001–02.¹⁵

2.27 The Committee notes that Austrade assisted 374 new exporters to achieve their first ever export sale through the New Exporters Development Program. Both new and existing exporters assisted by Austrade achieved \$8.77 billion of export contracts.

13 Australian Agency for International Development Annual Report 2002–2003, p. 5

14 Australian Trade Commission Annual Report 2002–2003, pp. 4–5

15 Australian Trade Commission Annual Report 2002–2003, pp. 12–13

What is noteworthy is that these export results were achieved in a challenging economic climate: subdued growth in US and European markets, terrorism in South East Asia, war in the Middle East, the outbreak of SARS, and the effects of drought in Australia...¹⁶

2.28 With regard to service provision, the Managing Director commented that an increase of 23 per cent in applications for the Export Market Development Scheme administered by Austrade. The extra workload was handled by Austrade staff without diminution of service to applicants, who rated the handling of applications at 88 per cent satisfaction level, an increase over 2001–2003.

2.29 The Committee finds that Austrade's annual report provides a comprehensive coverage of the organisation's activities during 2002–2003. As usual the Committee considers this annual report to be informative and produced in a manner which allows the reader easy access to information. The Committee concludes that this report complies with all reporting requirements for non-statutory authorities.

Other reports

2.30 Other Foreign Affairs and Trade portfolio authorities and/or agencies which had their annual reports examined by the Committee but were otherwise not commented upon in this edition, include:

- Australia–Indonesia Institute Annual Report 2002–2003
- Australian Centre for International Agricultural Research Annual Report 2002–2003
- Australian Safeguards and Non-proliferation Office Annual Report 2002–2003
- Export Finance and Insurance Corporation Annual Report 2003.

2.31 The Committee considers that all the annual reports of the abovementioned organisations fully met their respective reporting requirements.

16 Australian Trade Commission Annual Report 2002–2003, p. 13

Appendix 1

Annual reports referred to the Committee

Defence portfolio

Departments

Department of Defence

Department of Veterans' Affairs, Repatriation Commission and the National Treatment Monitoring Committee (NATMOC)

Statutory authorities

Army and Air Force Canteen Service Board of Management

Australian Military Forces Relief Trust Fund

Australian Strategic Policy Institute Limited

Australian War Memorial

Commonwealth Ombudsman and Defence Force Ombudsman

Defence Force Remuneration Tribunal

Defence Force Retirement and Death Benefits Authority

Defence Housing Authority (DHA)

Judge Advocate General

Office of the Inspector-General of Intelligence and Security

Military Superannuation and Benefits Board of Trustees No 1

Repatriation Medical Authority (RMA)

Royal Australian Air Force Veterans' Residences Trust Fund

Royal Australian Navy Relief Trust Fund

Veterans' Review Board (VRB)

Non-statutory authorities and government companies

Australian Submarine Corporation Pty Limited

Foreign Affairs and Trade portfolio**Department**

Department of Foreign Affairs and Trade

Statutory authorities

Australia–Indonesia Institute

Australia–Japan Foundation

Australian Centre for International Agricultural Research (ACIAR)

Australian Safeguards and Non–Proliferation Office

Australian Trade Commission (Austrade)

Export Finance and Insurance Corporation (EFIC)

Non–statutory authorities and government companies

Australia–India Council

Australia–Korea Foundation

Australian Agency for International Development (AusAID)

Appendix 2

Compliance table of the annual reports referred to the Committee for the period 2002–2003

<i>Scrutiny of reports tabled by 31 October 2003</i>				
Department/agency	Enabling legislation and timeliness	Date on letter of transmittal	# Date report submitted to minister (if known) % Date report received by minister (if known)	Date report presented to President*, &/or date tabled in the Senate
<i>Portfolios</i>				
Defence	<i>Public Service Act 1999</i> , s63(1). To be tabled by 31 October.	27 Oct 03	# Not known % Not known	*31 Oct 03
Foreign Affairs and Trade	<i>Public Service Act 1999</i> , s63(1). To be tabled by 31 October.	30 Sep 03	# 19 Sep 03 % 19 Sep 03	15 Oct 03
Veterans' Affairs	<i>Public Service Act 1999</i> , s63(1). To be tabled by 31 October.	29 Sep 03	# 27 Aug 03 % 27 Aug 03	15 Oct 03
Repatriation Commission and The National Treatment Monitoring Committee (NATMOC)	<i>Veterans' Entitlement Act 1986</i> , s215 <i>Veterans' Entitlement Act 1986</i> , s90A To be tabled by 31 October.	29 Sep 03	# 27 Aug 03 % 27 Aug 03	15 Oct 03

<i>Statutory authorities—Defence</i>				
Department/agency	Enabling legislation and timeliness	Date on letter of transmittal	# Date report submitted to minister (if known) % Date report received by minister (if known)	Date report presented to President*, &/or date tabled in the Senate
Australian Military Forces Relief Trust Fund	<i>Services Trust Funds Act 1947</i> and <i>Commonwealth Authorities and Companies Act 1997</i> , s9. Minister to table within 15 days of receiving report (by 31 Oct).	18 Aug 03	# 01 Oct 03 % 02 Oct 03	08 Oct 03
Australian Strategic Policy Institute Limited	<i>Commonwealth Authorities and Companies Act 1997</i> , s9. Minister to table within 15 days of receiving report (by 31 Oct).	Not dated	# 10 Sep 03 % 13 Oct 03	28 Oct 03
Australian War Memorial	<i>Commonwealth Authorities and Companies Act 1997</i> , s9. Minister to table within 15 days of receiving report (by 31 Oct).	25 Sep 03	# 17 Oct 03 % 17 Oct 03	28 Oct 03
Commonwealth Ombudsman and Defence Force Ombudsman	<i>Ombudsman Act 1976</i> , subsection 19(1) Minister to table within 15 days of receiving report (by 31 Oct).		# Not known % Not known	*31 Oct 03
Defence Force Remuneration Tribunal	Established in 1984 under Part IIIA, Division 2 of the <i>Defence Act 1903</i> (by 31 Oct).	10 Sep 03	# Not known % Not known	16 Sep 03
Defence Force Retirement and Death Benefits	<i>Defence Force Retirement and Death Benefits Act 1973</i> ,	29 Sep 03	# 01 Oct 03 % 02 Oct 03	29 Oct 03

<i>Statutory authorities—Defence</i>				
Department/agency	Enabling legislation and timeliness	Date on letter of transmittal	# Date report submitted to minister (if known) % Date report received by minister (if known)	Date report presented to President*, &/or date tabled in the Senate
Authority	ss16(2). To be tabled by minister as soon as practicable (by 31 Oct).			
Military Superannuation and Benefits Board of Trustees No 1	<i>Military Superannuation and Benefits Act 1991</i> , s26(3). Minister to table 15 days after receiving report (by 31 Oct).	30 Sep 03	# 01 Oct 03 % 02 Oct 03	29 Oct 03
Repatriation Medical Authority (RMA)	<i>Veterans' Entitlement Act 1986</i> , s196B To be tabled by 31 October.	15 Sep 03		28 Oct 03
Royal Australian Air Force Veterans' Residences Trust Fund	<i>Royal Australian Air Force Veterans' Residences Act 1953</i> , s10A To be tabled by 31 October.	03 Sep 03	# 01 Oct 03 % 02 Oct 03	08 Oct 03
Royal Australian Air Force Welfare Trust Fund	<i>Services Trust Funds Act 1947</i> and <i>Commonwealth Authorities and Companies Act 1997</i> , s9. Minister to table within 15 days of receiving report (by 31 Oct).	27 Aug 03	# 01 Oct 03 % 02 Oct 03	08 Oct 03

<i>Statutory authorities—Defence</i>				
Department/agency	Enabling legislation and timeliness	Date on letter of transmittal	# Date report submitted to minister (if known) % Date report received by minister (if known)	Date report presented to President*, &/or date tabled in the Senate
Royal Australian Navy Relief Trust Fund	<i>Services Trust Funds Act 1947</i> and <i>Commonwealth Authorities and Companies Act 1997</i> , s9. Minister to table within 15 days of receiving report (by 31 Oct).	09 Sep 03	# 01 Oct 03 % 02 October 03	08 Oct 03
Veterans' Review Board	<i>Veterans' Entitlement Act 1986</i> , subsection 215(4). To be tabled by 31 October.	13 Oct 03	# Not known % Not known	*31 Oct 03
<i>Statutory authorities—Foreign Affairs & Trade</i>				
Australia–Indonesia Institute	Although not required to do so, the Institute submits an annual report to the Minister for Foreign Affairs and the Parliament. No specific date set.	26 Sep 03	# 02 Oct 03 % 02 Oct 03	14 Oct 03
Australian Centre for International Agricultural Research (ACIAR)	<i>Australian Centre for International Agricultural Research Act 1982</i> , s39. To be tabled by 31 October.	30 Sep 03	# 14 Oct 03 % 14 Oct 03	30 Oct 03

<i>Statutory authorities—Defence</i>				
Department/agency	Enabling legislation and timeliness	Date on letter of transmittal	# Date report submitted to minister (if known) % Date report received by minister (if known)	Date report presented to President*, &/or date tabled in the Senate
Australian Safeguards and Non-Proliferation Office	<i>Nuclear Non-Proliferation (Safeguards) Act 1987</i> , s51 and <i>Chemical Weapons (Prohibition) Act 1994</i> , s94. To be tabled by 31 October.	19 Sep 03	# 03 Oct 03 % 03 Oct 03	14 Oct 03
Australian Trade Commission (Austrade)	<i>Australian Trade Commission Act 1985</i> , s9. To be tabled by 31 October.	18 Sep 03	# 26 Sep 03 % 26 Sep 03	14 Oct 03
Export Finance and Insurance Corporation (EFIC)	<i>Commonwealth Authorities and Companies Act 1997</i> , s9. Minister to table within 15 days of receiving report (by 31 Oct).	No letter of transmittal. Summary and statement by the Board dated 22 Aug 03		14 Oct 03
<i>Non-statutory authorities and government companies</i>				
Australian Agency for International Development (AusAID) (FA&T)	<i>Public Service Act 1999</i> , s63(1). To be tabled by 31 October.	No letter of transmittal. AusAID included in DFAT's letter dated 30 Sep 03.	# 19 Sep 03 % 19 Sep 03	15 Oct 03

<i>Statutory authorities—Defence</i>				
Department/agency	Enabling legislation and timeliness	Date on letter of transmittal	# Date report submitted to minister (if known) % Date report received by minister (if known)	Date report presented to President*, &/or date tabled in the Senate
Australian Submarine Corporation Pty Limited (Defence)	Report refers to Corporations Act.	No letter of transmittal. Financial statement dated 02 Sep 03	# Not known % Not known	30 Oct 03

Appendix 3

Reporting requirements and guidelines

Departmental reports¹

Authority for requirements

These annual report requirements are prepared pursuant to subsections 63(2) and 70(2) of the *Public Service Act 1999* and were approved by the Joint Committee of Public Accounts and Audit on 4 June 2003.

Commencement and reporting period

The requirements apply for annual reports for financial years ending on or after 30 June 2003.

Application

- (1) The requirements apply to annual reports for departments of state pursuant to subsection 63(2) and for executive agencies pursuant to subsection 70(2) of the *Public Service Act 1999*. As a matter of policy, they also apply to prescribed agencies under section 5 of the *Financial Management and Accountability Act 1997 (FMA Act)*.
- (2) In most cases the term ‘department’ is used in these Requirements to refer to all departments and agencies that will be preparing annual reports under these requirements. Similarly, ‘secretary’ is used to refer to a departmental secretary or to an agency head of one of those other bodies.
- (3) In the case of an agency (including an executive agency established under section 61 of the *Public Service Act 1999*) that is neither prescribed under the *FMA Act* nor comes with the *Commonwealth Authorities and Companies Act 1997 (CAC Act)*, these Requirements may be used to the extent that they are consistent with any reporting requirements contained in the agency’s own legislation (if any).
- (4) In cases of machinery of government change during the reporting period, where functions or offices are gained or lost, the established practice is that the gaining department must report on that function or office for the entirety of the reporting period, whether or not the losing department continues to exist. However, in relation to financial statements, the general rule is that each Chief Executive who had responsibility for a function must sign off on

¹ Excerpt from the Requirements for annual reports for departments, executive agencies and FMA Act bodies, Department of Prime Minister and Cabinet, June 2003, pp. 1, 2

financial statements relating to the period of their individual responsibility and include them in their own annual reports. If, for any reason, the losing department does not produce an annual report that covers the period it had the function, the financial statements from the earlier period must be published in the gaining department's annual report.

Timetable

A copy of the annual report is to be laid before each House of the Parliament on or before 31 October in the year in which the report is given

The provisions of subsections 34C(4)–(7) of the Acts Interpretation Act 1901 apply in relation to an application for extension of the period.

Where an agency's own legislation provides a timeframe for its annual report, for example 'within six months' or 'as soon as practicable after 30 June in each year', that timeframe applies. An extension under the Act Interpretation Act would need be sought only should a specified timeframe not be met.

However, it remains the Government's policy that all annual reports should be tabled by 31 October.

Commonwealth authorities and companies

The *Commonwealth Authorities and Companies Act 1997 (the CAC Act)* contains detailed rules about reporting and accountability for Commonwealth authorities and Commonwealth companies. Commonwealth companies also must meet other reporting requirements as set out in Corporations Law.

The *Commonwealth Authorities and Companies (Report of Operations) Orders 2002*, made under section 48 of the *CAC Act*, enables organisations to comply with the specific requirements for tabling reports.

The notes from the *Commonwealth Authorities and Companies (Report of Operations) Orders 2002* are set out below.

- **Basis for annual report:** Section 9 of the *CAC Act* requires directors of a Commonwealth authority to prepare an annual report in accordance with Schedule 1 of the *CAC Act*.
- **Report of operations requirement:** The annual report must include a report of operations prepared by the directors in accordance with Finance Minister's Orders (clause 1 of Schedule 1 of the *CAC Act*).
- **Financial statements requirement:** The annual report must include financial statements prepared by the directors (clause 2 of Schedule 1 of the *CAC Act*) and the Auditor-General's report on those financial statements.

- **Tabling requirements:** Section 9 of the *CAC Act* provides that the directors must give the annual report to the responsible Minister by the 15th day of the 4th month after the end of the Commonwealth authority's financial year. Where a Commonwealth authority's financial year ends on 30 June, this means that the annual report must be given to the responsible Minister by 15 October. The responsible Minister must in turn table the annual report in both Houses of the Parliament 'as as soon as practicable'. Under subsection 34C(3) of the *Acts Interpretation Act 1901*, this means within 15 sitting days.

Non-statutory bodies

The annual report of a non-statutory body shall contain the following information (after Senate *Hansard*, 8 December 1987, pp. 2643–2645):

- The annual report shall show the date of establishment of each new non-statutory body (NSB) and, in relation to each existing NSB, information regarding the date of its establishment in as much detail as is available.
- The annual report shall contain a statement of each NSB's objectives and functions.
- The annual report shall contain an account of each NSB's significant activities during the year.
- The annual report shall contain an indication that the creation or continued existence of each NSB, its functions and its organisation have received Ministerial approval.
- The annual report shall show the date in which each NSB will cease to exist or before which it will be reviewed (whichever is the earlier).
- In the case of any NSB whose continued existence, functions and organisation have been reviewed and whose continued existence has been approved by the Minister, the annual report shall show a summary of the outcome of the review.
- The annual report will contain a list of any positions provided for ex-officio government members on each NSB and of any positions provided for representatives nominated by particular non-government organisations.
- The annual report shall show the maximum term of appointment of each on an NSB.
- Except in cases where there may be little or no continuity of membership from one meeting to the next, the annual report will show the names of individual members of each NSB, and their terms of appointment.
- The report will show the manner in which the level of remuneration paid (if any) to members of each NSB is determined.
- The report will show the manner in which each NSB is funded
- The report will show a summary of any other financial arrangements such as the kinds of expenditure that can be made from the funds provided, and the nature of secretariat services provided and the way in which these are funded.
- In respect of each NSB, the annual report shall indicate whether one of its functions is to distribute funds to other organisations or individuals
- AN NSB with its own accounting system shall provide an audited financial statement.

- When an NSB operates through its parent body accounts, the NSB shall provide an account of receipts and expenditure on a program basis. It will also show:
 - the NSB's work reflected in the parent body's published program structure
 - performance related to objectives and measured in terms of stated criteria, in accordance with standard program budgeting techniques, and
 - the amounts of any grants made by each NSB.