



Australian Government
Department of Finance and Administration

GUIDANCE ON IDENTIFYING CONSULTANCIES

FOR ANNUAL REPORTING PURPOSES

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1. Purpose

The purpose of this guidance is to assist *Financial Management and Accountability Act 1997* departments and agencies (agencies) to more accurately and consistently determine, on a case-by-case basis, whether procurement arrangements¹ for the provision of services are in the nature of a consultancy or if they involve a non-consultancy contract. This will, in turn, assist agencies to meet their annual reporting obligations.

The guidance provides:

- elaboration on the characteristics of consultancies in comparison with non-consultancy contracts;
- an indicative listing which details the types of arrangements that would generally be considered consultancies and those that would generally be considered to involve non-consultancy contracts; and
- specific examples demonstrating the difference between consultancy and non-consultancy contracts.

Officials should be aware that the information in this publication is intended to guide their decision-making; it does not remove the need to apply judgement. Additionally, agencies retain responsibility for ensuring that they meet their annual reporting obligations.

As the question of whether a contract involves a consultancy or a non-consultancy contract will depend on the particular characteristics of the arrangement, such assessments should be made on a case-by-case basis. It is expected that this would generally be done by those responsible for developing and/or administering a proposed contract prior to entering into the contract, given their intimate knowledge and understanding of the relevant arrangement. If some other official makes assessments, internal consultation with those responsible for developing and/or administering the arrangement should be undertaken if there is any uncertainty regarding the nature of the arrangement.

This guidance does not purport to be legal advice and is not intended to be used as legal authority. Agencies should note that various definitions apply to the provision of services such as external labour hire services, including for taxation, workers compensation, superannuation, legal, contractual, workplace and security purposes. Although these definitions may have elements in common with the explanations in this guidance, they are not relevant for the purpose of this guidance.

¹ The term 'procurement arrangements' does not include employment under the *Public Service Act 1999* or under other Commonwealth legislation.

2. Background

The *Requirements for Annual Reports*, as approved by the Joint Committee of Public Accounts and Audit (JCPAA) pursuant to subsections 63(2) and 70(2) of the *Public Service Act 1999*, include requirements for agencies to include consultancy information in their annual reports and provide additional information in an appendix to the report (with the option of making the appendix publicly available through alternative means). The specific requirements are in the attachment at section 6 of this guidance.

It has become apparent that, in some cases, agencies are applying different approaches to determine whether their arrangements for the provision of services involve consultancies or non-consultancy contracts, with the result that there has been some inconsistency in reporting across agencies. Not only does this have the effect of reducing the comparability of data across agencies, it may present a distorted picture of the level of consultancy activity being undertaken by individual agencies.

This guidance seeks to address these issues, and to facilitate agency compliance with annual reporting requirements, by helping agencies to distinguish, with some degree of confidence and accuracy, arrangements involving the provision of consultancy services from those involving the provision of other services.

There will undoubtedly be some cases where the nature of the arrangement is 'grey' – for example, because some of its features are consistent with a consultancy whereas others are akin to non-consultancy contracts. In such cases, it is suggested that agencies focus on the core features of a consultancy in terms of the nature of the service and how it is delivered, rather than on other peripheral indicative characteristics.

3. Distinguishing consultancies from non-consultancy contracts

Information detailing how agencies can distinguish consultancies from non-consultancy contracts for annual reporting purposes is set out below.

3.1 Annual reporting requirements for consultancy reporting

The *Requirements for Annual Reports* publication approved by the JCPAA, and issued by the Department of the Prime Minister and Cabinet, contains requirements that relate to the reporting of consultancy services contracts. The *Requirements for Annual Reports* publication states:

Many individuals, partnerships and corporations provide services to agencies under contracts for services. However, not all such contractors should be categorised as consultants for the purposes of annual reporting. Consultants are distinguished from other contractors by the nature of the work they perform.

For annual reporting purposes, officials need to be able to distinguish consultancies from "non-consultancy" contracts and employment contracts. Briefly, however, a consultant is an individual, a partnership or a corporation engaged to provide professional, independent and expert advice or services.

In deciding whether a particular contractor should be categorised as a consultant for annual reporting purposes, the two key questions to ask are:

- *Do the services involve the development of an intellectual output that assists with agency decision-making?*
- *Will the output reflect the independent views of the service provider?*

If the answer to both questions is 'yes', the arrangement should be categorised as a consultancy for annual report purposes.

3.2 Requirements for reporting of contracts

The scope of the annual reporting requirements for consultancies includes only **contracts** with a total value of **\$10 000** or more (inclusive of GST). Therefore, all contracts reported as consultancies will have been previously reported in the Gazette Publishing System, which may assist agencies in identifying relevant contracts.

It is important to note that agencies do not need to separately identify minor consultancy elements in non-consultancy contracts, or particular invoices relating to consultancy work performed under an over-arching contract.

3.3 Approach to determining the nature of contracts

Individuals and organisations may purport to be providers of consultancy services. This alone is not sufficient basis for an agency to conclude that an arrangement involving the external service provider should be treated as a consultancy for the purposes of annual reporting. Officials need to assess the nature of each contract involving the provision of services on a case-by-case basis to determine whether it involves a consultancy for the purposes of annual reporting.

The assessment process requires officials to distinguish between consultancy and non-consultancy contracts, taking into account their respective characteristics set out in the table below. These characteristics represent an amalgam of those commonly exhibited across the diverse range of consultancy and non-consultancy arrangements.

In considering these characteristics, officials should focus on the following two key questions, which are specifically mentioned in the *Requirements for Annual Reports* publication, to determine the nature of the arrangement:

- **Do the services involve the development of an intellectual output that assists with agency decision-making?**

Examples of outputs of this nature include, but are not limited to, the expression of an original concept, research, findings, analysis, advice and/or recommendations.

- **Will the output reflect the independent views of the service provider?**

In considering this issue, the emphasis should be on whether the agency has control over the views expressed, regardless of the level of direction and supervision that the agency actually provides in performance of the services. In other words, is the output being produced for the agency (consultancy contract), or on behalf of the agency (non-consultancy contract).

In the event that the answer to both questions is ‘yes’, the arrangement is a consultancy. If, however, the answer to one or both questions is ‘no’, the service would appear to be subject to a non-consultancy contract.

The process for identifying consultancy contracts for annual reporting purposes is summarised in the process chart at section 6.2.

Contract Characteristics (only some may apply)	
Consultancy Contracts	Non-Consultancy Contracts
<p>Nature of Services</p> <ul style="list-style-type: none"> • Involves specialist professional knowledge and/or expertise that may not be maintained in-house. • Involves development of an intellectual output – eg research, evaluation, advice, and recommendations – to assist with agency decision-making. • Involves a one-off task, a set of tasks or irregular tasks (making employment of permanent staff impractical or undesirable). 	<p>Nature of Services</p> <ul style="list-style-type: none"> • External labour hire services² to perform day-to-day duties of the agency – for example, a labour hire firm providing personnel to fill a temporary vacancy for a personal assistant, or in a programme area. Skills to perform services obtained via external labour hire would normally be maintained within the agency. • Involve professional or expert services to implement an existing proposal or strategy – eg training specialists to deliver training in line with an existing strategy.
<p>Direction and Control</p> <ul style="list-style-type: none"> • Performance of the services is left largely up to the discretion and professional expertise of the consultant. • Performance is without the agency’s direct supervision. • The output reflects the independent views and/or findings of the individual or organisation. 	<p>Direction and Control</p> <ul style="list-style-type: none"> • External labour hire services are performed under supervision of the agency. The agency specifies how the work is to be undertaken and has control over the final form of any resulting output. • Professional or expert services provided under non-consultancy contracts are generally delivered without a high level of supervision and direction from the agency. However, the output produced will not necessarily represent the independent views of the service provider – ie the agency controls the form of the output. • The output is generally regarded as an agency product.

² Providers of external labour hire services do not include either ongoing or non-ongoing employees engaged under section 22 of the *Public Service Act 1999*.

3.4 Similarities between consultancy and non-consultancy contracts

When reviewing arrangements officials should be aware that, because of the diverse range of work undertaken by consultants and providers of other services, individual arrangements are likely to exhibit some, and not all, of the characteristics listed for the relevant category. Similarly, some consultancies may exhibit a number of characteristics that are generally attributed to non-consultancy contracts and vice versa. In such cases, officials should consider the key questions to determine the nature of the arrangement.

Following on from the above point, officials will often need to distinguish between procurement arrangements where an external professional is engaged to deliver an intellectual output to assist with management decision-making of the agency and others where a professional is engaged to implement such outputs. Such arrangements are of a different nature. For example, the engagement of a training specialist to independently identify an agency's training needs and to develop a training plan and relevant materials would involve a consultancy. On the other hand, the subsequent engagement of a training specialist to deliver the training in line with the plan and materials would involve a non-consultancy contract.

Officials should also note that some contracts may involve outputs consistent with consultancies and others that align with non-consultancy contracts. In these cases, agencies will need to consider whether it is appropriate to report them as consultancies. In making such decisions, agencies may wish to consider the value and relative importance of the consultancy element.

3.5 Agency systems to ensure consistency of treatment over time

As noted previously, there will be cases where the nature of the arrangement is 'grey', requiring a judgement call. Agencies should consider ways of capturing and promulgating the approach taken for such cases to promote consistent reporting of similar types of arrangements over time (assuming that the annual reporting requirements for consultancies remain static).

In the event that an agency makes a substantive change to its treatment of services for the purposes of annual reporting, it should consider highlighting this in its annual report to ensure transparency of the approach and explain any notable changes in the level of reporting.

3.6 Indicative listing of consultancy and non-consultancy contracts

Examples of specific services delivered through consultancy and non-consultancy contracts are listed below. In referring to the examples, agencies should bear in mind that they are not intended to be exhaustive or definitive: the lists merely identify some services that would generally be classified as consultancy or non-consultancy contracts. There are likely to be cases where the specific details of an arrangement suggest a different classification to the one shown in the listing. Agencies should examine the characteristics of arrangements on a case-by-case basis to determine the appropriate classification.

Services that would generally be considered to involve a consultancy include:

- Advice on training needs and development of training plans;
- Legal services, such as:
 - general legal advice (not related to litigation or potential litigation or given incidentally in connection with the development of contracts or other legal documents);
 - advice on the application of legislation, and on development of new legislation; and
 - legal audit, probity and process advice, in relation to contracting out or tendering.
- Design, analysis and reporting of formal market research studies;

- Development of advertising and marketing campaigns;
- Analysis of technology needs and development of software and hardware specifications;
- Development of a framework for benchmarking;
- Change facilitation advice;
- Business process analysis, design and other advice;
- Occupational, health and safety advice and recommendations;
- Evaluation of programme performance and recommendations regarding changes;
- Probity adviser and audit services; and
- Risk assessments.

Services that would generally be regarded as involving non-consultancy contracts include:

- Delivery of training;
- Conduct of recruitment activity;
- Legal services, such as:
 - conveyancing and development of contracts or other legal documents (and any incidental advice given relating to such work);
 - litigation services (including any drafting or advice connected with litigation or potential litigation); and
 - drafting of legislation and legislative instruments.
- Travel booking services;
- Scribe services;
- Development of software in line with already developed specifications;
- Information technology support services;
- Data processing;
- Printing and copying services;
- Communication – for example, telephone services;
- Individuals undertaking operational work within the agency under temporary external labour hire arrangements;
- Indoor plant maintenance services;
- Cleaning and waste removal services;
- Preparation of manuals covering existing processes;
- Project management;
- Security services; and
- Delivery of government programmes – for example, provision of translation and interpreting services in relation to migrants, job network services and construction of buildings.

4. Examples

The following examples, which include actual and hypothetical arrangements, are provided to show agencies how to assess if services involve a consultancy or non-consultancy contract, having regard to the characteristics identified in previous sections of this guidance. The examples are not intended to be exhaustive. Furthermore, the conclusions reached in the examples should not be used as the basis for assessments in specific cases. Rather, in an effort to ensure appropriate reporting of consultancies in their annual reports, agencies will need to consider each arrangement for services on a case-by-case basis to determine their particular characters.

The list of examples has been split into those that relate to the range of different services that might typically be procured by agencies (**4.1 General examples**) and those that relate to the variety of legal services agencies have need to procure, some of which will involve consultancies and others non-consultancy contracts (**4.2 Legal services examples**).

4.1 General examples

Example 1 – Strategic review of the Gazette Publishing System (GaPS)

Description

The Department of Finance and Administration (Finance) engaged an organisation with expertise in undertaking strategic reviews involving information technology and procurement, including e-procurement, to review GaPS, an Internet database used for whole-of-government reporting of contracts.

The terms of reference for the review required the organisation to:

- review and clarify the objectives of the gazettal of government procurement activities to determine their on-going relevance against emerging and changing demands;
- review and identify what procurement activity is gazetted and provide advice on any additional information that should be gazetted to comply with broader stakeholder needs and requirements and existing Commonwealth Procurement Guidelines and the *Financial Management and Accountability Act 1997*;
- review and identify who uses the data, for what purposes, its quality and utility including an analysis of the on-going relevance of the current purchasing reporting threshold;
- in consultation with the agency responsible for the day-to-day administration of the database,
 - undertake an analysis of the capacity of the current computerised system to meet the current and identified emerging needs including an analysis of additional data fields that should be provided;
 - identify data quality, integrity and compliance issues impacting upon the system; and
 - undertake a review of the functionality of the current system, its ease of use and data interrogation capacities.
- a written report was required to be provided within a specified timeframe, outlining options and strategies for addressing any areas of concern and progressing any recommendation.

The organisation undertook the work in line with the terms of reference, with the process largely determined by the organisation. Finance closely monitored performance of the services due to public commitments regarding completion of the review. It also provided feedback on a survey of stakeholders, including parliamentary committees, and other input as necessary. While Finance

reviewed and provided comments on a draft of the report, the final version represented the views of the organisation. It was used for management decision-making regarding changes to GaPS.

Examination of Core Characteristics

Nature of Services

- The services required expertise with, amongst other things, reviews of technological practices, procedures and systems, including within an e-commerce/internet environment. Such expertise was not maintained within Finance.
- The services involved the development of an intellectual output, in particular, a report outlining options and strategies for addressing any areas of concern and progressing any recommendations. The report assisted Finance management to decide on the future direction of the database.
- The review was a specific project.

Direction and Control

- While Finance specified the terms of reference for the review, the performance of the review was largely up to the discretion of the organisation.
- Performance of the services involved some supervision by Finance due to the time-criticality of the review.
- The advice and recommendations included in the report reflected the organisation's views.

Notwithstanding that the services were performed by the organisation with Finance's supervision and feedback, the above findings indicate that the characteristics of the arrangement are consistent with those of a consultancy.

Example 2 – Assistance with development of financial statements

Description

An agency with diverse operations engages an organisation to provide specialist professional accounting services, which are not available in-house due to the irregular demand for such services, to develop the agency's financial statements for a financial year. The statements are to be developed in line with accounting standards, advice provided by the agency and having regard to the views of the Australian National Audit Office. Given the nature of the work and access to information issues, the services are performed at the agency's premises. However, due to the organisation's significant expertise, it works largely autonomously, reporting to relevant agency officials on progress and receiving direction from them on key issues as required. The organisation reports to the Chief Finance Officer (CFO) who has the say as to the final form and content of the financial statements and is responsible for signing them off.

Examination of Core Characteristics

Nature of Services

- The services require specialist accounting expertise that is not available within the agency.
- The services involve the development of an intellectual output in the form of financial statements. The financial statements will assist the agency with management decision-making.
- Development of the financial statements is a regular task, undertaken annually.

Direction and Control

- The development of the statements is largely left up to the organisation due to their expertise.
- Following on from the above point, the organisation delivers services with only limited supervision from the agency.
- The role of the CFO in the oversight of the preparation of the statements and the agency's provision of direction indicate that the statements will reflect the agency's views.

This analysis indicates that services exhibit some of the core characteristics of consultancies as well as characteristics of non-consultancy contracts. Consistent with the approach in section 3.3 of this guidance, the key determinant of the nature of the arrangement in this case will be whether the financial statements represent the independent views of the organisation. In this case, they do not reflect the independent views of the organisation, suggesting that the services are delivered under a non-consultancy contract.

Officials are reminded that specific outputs produced under an arrangement may be in the nature of a consultancy while others may reflect a non-consultancy contract. In the scenario described above, for example, the organisation providing specialist professional accounting services may have been specifically required, under the contract, to provide advice to the CFO concerning the interpretation and appropriate application of complex accounting standards and other guidance. Such work would be in the nature of a consultancy. In this event, the agency would be advised to consider the value and relative importance of the consultancy element to determine whether it should be reported as a consultancy. The same would apply for the other examples discussed in this section.

Example 3 – Development of a training strategy and delivery of training

Description

An agency, having undergone a period of change, engages an organisation with expertise in training package development and delivery that is not maintained in-house, to identify training requirements for its staff and develop a training strategy. If agreed by the agency's management, the strategy will also be implemented by the organisation.

The organisation largely performs the first stage of the work independently at its premises. This involves interviewing staff and management, as required, to determine the knowledge and skills appropriate for specific work levels. On the basis of these findings, the organisation develops a strategy, reflecting its findings and making detailed recommendations for training, including the knowledge areas to be addressed and skills to be developed. The agency's management approves the strategy, which is implemented by the organisation as part of the second stage of the services.

Examination of Core Characteristics

Nature of Services

- The services involve specialist expertise with training package development and delivery that is not available within the agency.
- The first stage involves the development of an intellectual output in the form of a training strategy whereas the second stage involves implementation in line with that output. The strategy produced as part of the first stage facilitates management decision-making on the agency's requirements for training. By contrast, the second stage involves implementation of the approved training strategy, rather than an intellectual output for decision-making purposes.
- Development and implementation of the strategy represent a one-off project.

Direction and Control

- Development of the strategy as part of the first stage is largely left up to the organisation. In comparison, the training provided as part of the second stage is subject to direction – it must be in line with the detailed requirements agreed by the agency’s management.
- The strategy delivered in the first stage reflects the organisation’s views whereas the training reflects the decision of the agency’s management.

The characteristics of the first stage of this arrangement are consistent with those of a consultancy. The critical determining features are that the services involve the delivery of an intellectual output, in the form of analysis of training needs and a training strategy, that feeds into decision-making, and that the output reflects the views of the provider of the services.

The fact that the second stage involves implementation of a previously developed training strategy in line with management’s decision and consistent with specified requirements, rather than delivery of an intellectual output that is used for decision-making purposes, indicates that the services are provided under a non-consultancy contract.

Taking into account the above findings, the agency would need to consider the relative values of the two components of the arrangement to determine whether it should be reported as a consultancy for the purposes of annual reporting.

Example 4 – Programme involving the provision of translation and interpreting services in relation to migrants

Description

An agency is responsible for delivery of a programme involving the provision of interpreting and translation services, which are not available within the agency, in relation to migrants. The detail of the programme has been resolved by the agency and is implemented through a number of individual arrangements with external providers. The providers, who are accredited translators and interpreters, are required to provide the services in line with guidelines issued by the agency. As the work is demand-driven, it is undertaken on an ‘as needs’ basis.

Examination of Core Characteristics

Nature of Services

- The arrangement requires the services of accredited interpreters and translators, which are not available within the agency.
- The services do not involve an intellectual output that feeds into agency decision-making. Rather, they involve the implementation of the programme, on behalf of the agency, through the provision of expert interpreting and translation services in line with agency guidelines.
- The interpreting and translation services are performed on an irregular basis, depending on demand.

Direction and Control

- The nature of the work means that the interpreting and translation services are undertaken largely independently and without supervision. However, the agency specifies how the services are to be applied via guidelines.
- Taking into account the conclusion at the second dot point under ‘nature of services’ above, the output does not reflect the views - independent or otherwise - of the service provider.

The above analysis, in particular, the finding that the services are to implement the programme via provision of translator and interpreter expertise in line with agency guidelines, indicates that the arrangement involves a non-consultancy contract.

4.2 Legal services examples

Agencies procure a range of legal services to assist in delivering the variety of business functions across Government, such as contract development, legal audit and probity advice, legislative drafting, provision of general legal advice, and litigation services. Accordingly, as highlighted through the indicative listing at section 3.6 and the examples below, some contracts covering legal services will involve consultancies and others will involve non-consultancy contracts.

Officials will therefore need to consider each contract for legal services on a case-by-case basis to ensure that their assessments are appropriate. When reporting particular legal services contracts as consultancies, agencies should be aware of the need to describe such contracts in a way that does not result in a waiver of legal professional privilege. This can be achieved by developing appropriate generic descriptions for categories of legal services such as advice, drafting or litigation, rather than providing the specifics of each contract which may, if too much information is provided, constitute a waiver.

Example 5 – Drafting of amendments to existing regulations

Description

An agency engages the Office of Legislative Drafting (OLD) to draft amendments to an existing regulation under legislation administered by that agency. This particular regulation requires amendment in regard to a table setting out the rates at which transfer payments will be made to different classes of recipients. The figures required to update the table are determined by the agency, and are provided to OLD for incorporation into a standard template used for the purpose. The OLD does not advise on the contents of the table, but merely drafts the information provided by the agency into proper legal form.

Examination of Core Characteristics

Nature of Services

- The services require some specialist professional legal expertise that is not available within the agency.
- The services do not involve an intellectual output that feeds into agency decision-making. The intellectual output is produced by the agency when determining the revised contents of the table. The services merely involve the application of professional legal expertise to present the material provided in proper legal form.
- The preparation of the amended regulation is a one-off task.

Direction and Control

- The nature of the work means that the legal drafting services are performed largely independently and without direct supervision. However, the material to be drafted is specified and provided by the agency.
- The services merely involve the application of professional legal expertise in a routine drafting exercise. The output produced does not therefore reflect the views, independent or otherwise, of the OLD.

While specialist professional skills are applied in drafting the amended regulation, it does not reflect the independent views of the drafter. Nor does the revised regulation constitute an intellectual

product of the OLD that assists with agency decision-making – the agency has specified the content of the amendments to be drafted. The above analysis therefore indicates that the arrangement represents a non-consultancy contract.

Example 6 – Expert legal advice on appropriate contractual conditions

Description

An agency proposes to engage an information technology firm to undertake a sizeable software ‘build’, involving significant cost to the agency. The officials involved in the procurement have limited experience of information technology projects of this type. Accordingly, they seek advice from a legal firm specialising in the area of information technology as to appropriate contractual terms, in particular, in relation to indemnity, liability and intellectual property. The officials provide background briefing to the legal firm on the project, including stakeholders, risks and other relevant issues. Following this, the firm prepared independent advice to the agency, outlining various options and recommending a position for it to take in contract negotiations.

Examination of Core Characteristics

Nature of Services

- The services require specialist legal expertise not available within the agency.
- The services involve an intellectual output in the form of advice detailing options and a recommended position for contract negotiations. This advice feeds into agency decision-making on the way to proceed with such negotiations.
- The provision of advice for the contract negotiations is a one-off task.

Direction and Control

- The agency did not specify how the advice was to be prepared. The only form of direction related to the issues to be covered by the advice.
- The advice reflects the legal firm’s views and recommendations.

Taking into account the foregoing core characteristics, in particular, the fact that the advice reflects the independent views and recommendations of the legal firm and feeds into the agency’s decision-making, the arrangement is a consultancy.

In contrast, if the same agency were to engage a legal firm to develop a contract for a software ‘build’, clearly specifying its requirements as to the form of the provisions to be included in the contract, the arrangement would be a non-consultancy contract. While the arrangement would involve the legal firm providing specialist professional skills to prepare the contract, it does not act independently in doing so - the terms of the contract are determined by the agency and must therefore reflect its views. The document would be regarded as an agency product.

5. Additional information

Officials requiring additional information concerning reporting obligations and procurement policy more broadly may find the following resources useful.

As indicated previously, if an official, having undertaken an assessment of a specific arrangement in line with the information in this guidance, remains uncertain as to whether it involves a consultancy or non-consultancy contract, they should seek to resolve the issue internally within their agency via broader consultation.

5.1 Annual reporting obligations

For further information on agencies' annual reporting obligations, refer to the *Requirements for Annual Reports* document which is available on the Department of the Prime Minister and Cabinet's website at www.pmc.gov.au.

For information on optional reporting of consultancies in the Gazette Publishing System (GaPS), refer to the *Guidance on Reporting Procurement in the Gazette Publishing System* document, available at www.finance.gov.au.

5.2 Procurement policy

For information on the procurement policy framework that applies to *Financial Management and Accountability Act 1997* agencies:

- refer to the Commonwealth Procurement Guidelines, available on Finance's website at www.finance.gov.au; or
- direct any specific enquiries to the Purchasing Advisory and Complaints Service by e-mail to pacs@finance.gov.au, or by telephone on 1800 650 531.

5.3 Agency-specific requirements

Officials seeking agency-specific information on annual reporting and procurement processes should refer to their Chief Executive's Instructions and any other agency-specific operational guidance for additional advice.

5.4 Other reporting obligations

In addition to reporting consultancies in annual reports, agencies are required to report details of all procurement contracts and agency agreements, including standing offers, with an estimated liability of \$2,000 or more in the *Purchasing and Disposals Gazette* via GaPS at www.contracts.gov.au. The specific reporting requirements are detailed in *Guidance on Reporting Procurement in the Gazette Publishing System*, available from www.finance.gov.au.

6. Attachments

6.1 Extracts from the *Requirements for Annual Reports* publication

As previously noted, the *Requirements for Annual Reports* publication sets out the specific consultancy information to be reported by agencies. Relevant extracts are reproduced below in italics.

In considering the extracts, agencies should be aware that consultancies that involve the provision of advertising or market research services will be subject to additional reporting requirements that are not listed below. Information on these requirements is included in the *Requirements for Annual Reports* publication.

Summary Information

The annual report must include a summary statement detailing the number of consultancy services contracts let during the year, and the total actual expenditure on consultancy services during the year, regardless of when the contract was let. By way of example, if a consultancy contract is let in May 2004, and the contract expires in September 2004 and expenditure under the contract is \$10 000 per month, the annual report for the 2003-4 financial year should record one consultancy contract and \$20 000 expenditure in relation to that contract. The annual report for the 2004-05 financial year should record only \$30 000 expenditure - the letting of the consultancy contract should not be included again in the number of consultancy contracts let during the 2004-05 financial year.

Further, more detailed, information on consultancy services is also required, either as an appendix to the report, or on request or through the Internet, as set out in Attachment C to these Requirements. This additional information requires departments to list each consultancy contract let to the value of \$10 000 or more and the total value of each of those contracts over the life of each contract. In other words, this additional information is not concerned with expenditure in the reporting year, but estimated expenditure over the life of each contract that is reported.

Other Information (as per Attachment C of the *Requirements for Annual Reports* Publication)

In addition to the summary information in the body of the report (section 12(6) of the Requirements refers) on the number of consultancy services let during the year and the total expenditure on consultancy services, departments are required to provide, for example, in an appendix to the report or on request or through the Internet, the following information on consultancy services for the year:

- *A summary of the department's policy on the selection and engagement of consultants, its selection procedures, and the main categories of purposes for which consultants were engaged;*
- *A list of all consultancy contracts let to the value of \$10,000 or more (inclusive of GST), with details as follows for each individual consultancy, except where the large number of consultancies renders this impractical:*
 - (a) *The name of the consultant;*
 - (b) *A summary description of the nature and purpose of the consultancy;*
 - (c) *The contract price for the consultancy;*
 - (d) *The selection process used, including whether the consultancy was publicly advertised;*
and

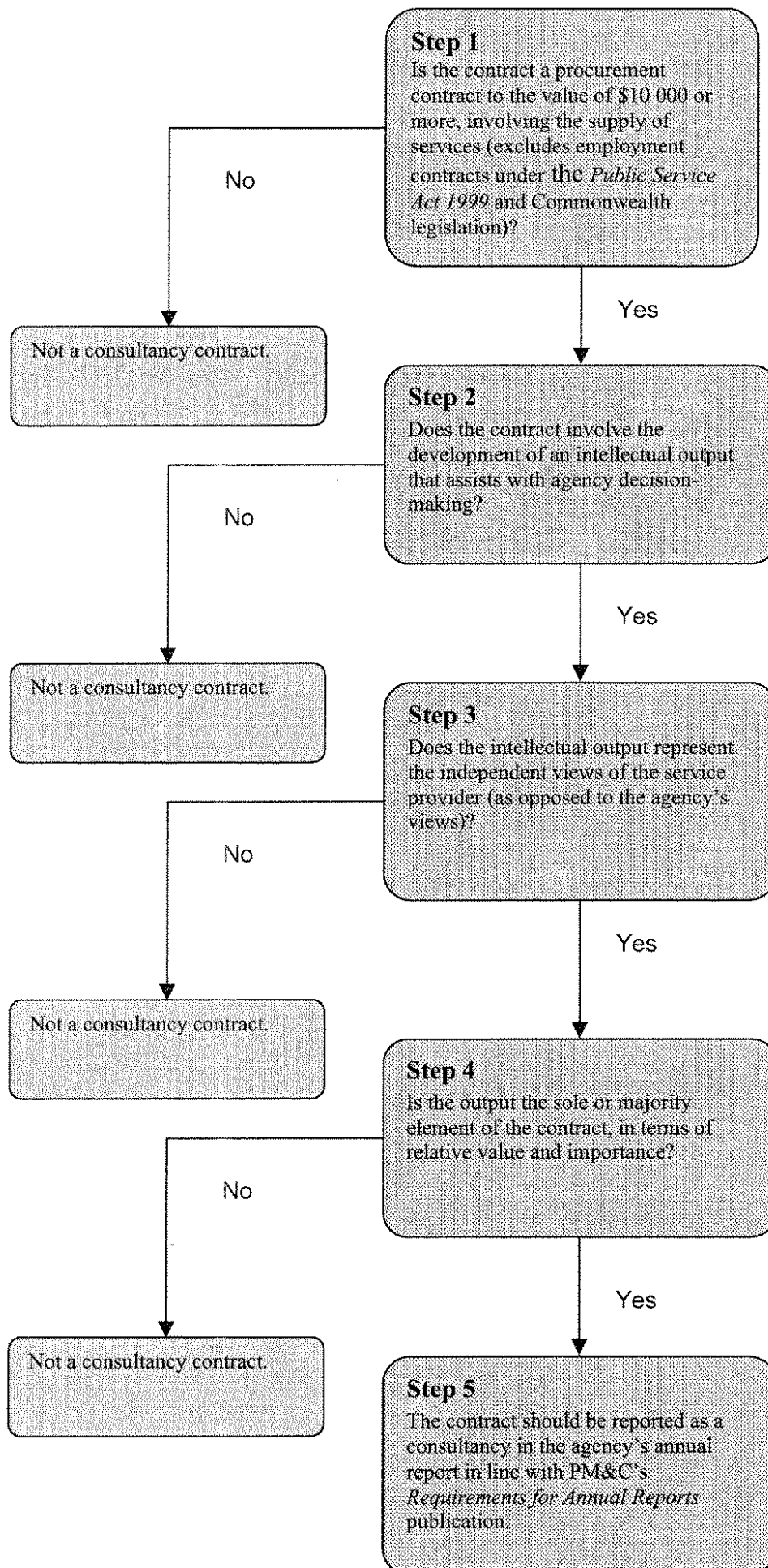
(e) The justification for the decision to employ consultancy services.

Where no total fixed price exists for a consultancy agreement, or where actual expenditure exceeds the originally agreed contract price, the value of the consultancy contract should be taken as the actual expenditure. In each case the reason for the absence of, or going over, a fixed price should be noted.

Typical reasons for engaging consultancy services include a requirement for specialist expertise not available within the department or where an independent assessment is considered desirable. The selection process may involve, for example, public tender, selective tender, or direct engagement of: a recognised and pre-eminent expert, a consultant who had previously undertaken closely related work for the department, or a consultant known to have the requisite skills where the value of the project did not justify the expense or delay associated with seeking tenders.

If a consultancy is let for advertising and market research, that consultancy should be reported in both the 'consultancy' and 'advertising and market research' categories but flagged as such.

6.2 Process chart for identifying consultancies for annual reporting purposes



REQUIREMENTS FOR ANNUAL REPORTS
FOR DEPARTMENTS, EXECUTIVE AGENCIES AND FMA ACT BODIES

Approved by the Joint Committee of Public Accounts and Audit
under subsections 63(2) and 70(2) of the
Public Service Act 1999

Department of the Prime Minister and Cabinet
June 2005

www.dpmc.gov.au/guidelines/index.cfm

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Part 1 – Preliminary

1 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 29 June 2005.

2 Commencement and Reporting Period

The requirements apply to annual reports for financial years ending on or after 30 June 2005.

3 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*.

(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 *Financial Management and Accountability Act 1997* nor comes within the *Commonwealth Authorities And Companies Act 1997*, 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 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.

4 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 Acts Interpretation Act would need to 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.

Part 2 - Introduction

5 Purpose of Annual Reports

- (1) The primary purpose of annual reports of departments is accountability, in particular to the Parliament.
- (2) Annual reports serve to inform the Parliament (through the responsible Minister), other stakeholders, educational and research institutions, the media and the general public about the performance of departments in relation to services provided. Annual reports are a key reference document and a document for internal management. They form part of the historical record.

6 Annual Reports and Accountability

- (1) Annual reports and Portfolio Budget Statements¹ (PBSs) are the principal formal accountability mechanisms between government and departments and from departments through (or on behalf of) government to the Parliament. Annual reports are reports from departmental secretaries to the portfolio minister, for tabling in the Parliament. PBSs are authorised by ministers for use by the Parliament in the consideration of the Budget.
- (2) PBSs set out performance targets for departmental outputs and contributions to outcomes when funds are appropriated, and annual reports report on achievement. PBSs and annual reports provide the Government and the Parliament with detailed information about the actual performance of departments and forecasts of future needs and expectations. The 'clear read' between PBSs and annual reports is an essential part of the accountability system that compares budgeted targets and figures to those actually achieved, and places a strong emphasis on compatibility between the two documents regarding budget and performance information.
- (3) The annual report requirements aim to provide a clear and concise framework for departmental annual reports which is consistent with enhancing the standard of annual reporting in the Commonwealth. They are periodically reviewed and updated to this end.
- (4) Annual reports co-exist with other annual whole-of-government reporting. While whole-of-government reports will traverse similar themes to those contained in annual reports, of necessity, they present an aggregated view of the performance of the Australian Public Service as a whole. They should be seen as complementary to the more detailed departmental annual reports, which are important in the accountability of a secretary for the use of his or her employment and

¹ There are also Portfolio Additional Estimates Statements (PAESs) which support the Appropriation Bills for the additional estimates.

other powers. Bearing in mind the differing purposes of the types of reporting, duplication should be minimal.

- (5) Annual reports also co-exist with the availability of information through the Internet. Reporting and analysis in an annual report as a document of record, is complementary to the ongoing availability of information through the Internet.

7 Principles Underlying Annual Report Requirements

The content of annual reports should:

- (a) *be consistent with the purposes of annual reports* – in particular, annual reports should be written in plain English and provide sufficient information and analysis for the Parliament to make a fully informed judgement on departmental performance;
- (b) *align with the overall accountability framework;*
- (c) *reflect the harmonisation, as far as practicable, of reporting regimes within government (including PBSs and PAESs) and between the government and non-government sectors; and*
- (d) *merit reporting* – the relative benefits and costs of reporting should be considered.

Part 3 –Annual Report Requirements

8 Specific Requirements

- (1) A core set of information is required in annual reports to ensure that accountability requirements are met and to provide consistency for readers. The annual report must include the following items:
 - (a) Review by departmental secretary;
 - (b) Departmental overview;
 - (c) Report on performance;
 - (d) Management and accountability;
 - (e) Financial statements; and
 - (f) Other mandatory information.Required standards for these items are set out below.
- (2) The annual report must also include a letter of transmittal and aids to access, as set out in Attachment A.
- (3) Attachment F provides a checklist of requirements. Mandatory items are identified as such.
- (4) Departments vary in role and size and secretaries have discretion as to the extent of information to include in annual reports and the sequence in which it is presented as long as the minimum amounts of information set out in these Requirements are met. In this regard, note the requirements specified in the Aids to Access section in Attachment A.
- (5) Questions of whether or not particular information should be reported should be decided, in the absence of any contrary direction in these Requirements, having regard to the principles identified in paragraph 7.

9 Review by Departmental Secretary

- (1) The annual report must include a review by the departmental secretary.
- (2) The review may include a summary of the significant issues and developments during the year, an overview of the department's performance and financial results, and the outlook for the following year.
- (3) For a portfolio department, the review may include a summary of the significant issues and developments for the portfolio.

10 Departmental Overview

- (1) The annual report must provide a description of the department, including:
 - (a) Role and functions²;
 - (b) Organisational structure; and
 - (c) **Outcome and output** structure³.
- (2) The outcome and output structure must be consistent or reconcilable with information in the PBSs and the PAESs relating to the department for the year covered by the annual report. Where a department is reporting using a different structure, it must detail the variation and give the reasons for the change.
- (3) The annual report of a portfolio department must include an outline of the structure of the portfolio.

11 Report on Performance

The annual report must include:

- (1) a review of how the department has performed during the year in relation to the efficiency of the department's outputs and their effectiveness in terms of achieving the planned outcomes. Descriptions of processes and activities should be avoided. Rather, reporting should be aimed at providing an assessment of how far the agency has progressed towards outcomes. The review must include:
 - (a) reporting of actual results against the specific performance standards for the outcomes and the outputs set out in the PBS/PAES.⁴ Relevant information should also be supplied for administered items. A tabular presentation of information, in landscape format, may be helpful. Reports should succinctly cover progress towards outcomes and the extent to which the agency is wholly or partly responsible for the outcome;
 - (b) if the department is appropriated funds to deliver outcomes through **purchaser/provider arrangements**, the review should

² Terminology may vary but it should include statements of vision, purpose, mission and objectives where they exist as well as principal functions or services performed.

³ Key terms are defined in the glossary at [Attachment A](#). Terms included in the glossary are identified by bold type when they are first used in these requirements.

⁴ Performance information is used in a generic sense to refer to performance measures, indicators and targets. Where performance information has changed during the year, details of both the former and the new performance information must be provided, with reasons for the change, so as to fully inform the reader. Refer to the Commonwealth's Performance Management Principles as endorsed by Ministers (http://www.finance.gov.au/budgetgroup/Commonwealth_Budget_-_Overview/performance_management_princip.html).

also report on the performance of those arrangements against targets set in the PBS; and

- (c) a concise narrative discussion and analysis of the detailed performance information at an appropriate level of reporting. Visual aids such as charts and graphs may assist the reader. While departments must address how they have performed in contributing to outcomes, departments have discretion as to the level of reporting below outcomes, having regard to materiality, parliamentary and public interest, and reader expectations.

It is suggested that this may include:

- trend information, and the results of any evaluations, where appropriate;
 - reference to any significant change in the nature of the department's principal functions or services that has occurred during the year, and has impacted on performance;
 - reference to factors, events or trends influencing the department's performance and the achievement of outcomes over the year and in the future and how the department plans to deal with these issues;
 - for departments which are required to have **service charters** in place, reference to performance against the service charter customer service standards, complaints data, trend analysis, and the department's general response to complaints⁵; and
 - for departments whose outputs may impact on social justice and equity outcomes in the community, reference to the social justice impacts.
- (2) discussion and analysis of the department's financial performance for the year. It is suggested that this include an overview discussion of any significant changes in **financial results** from the previous year, or from the budgeted financial statements for the financial year as set out in the PBS/PAES, and their implications;⁶

⁵ For those departments which are required to have service charters in place or whose functions may impact on social justice and equity in the community, it would be expected that the outcome and output performance information would encompass service charter requirements and social justice impacts respectively. The narrative discussion and analysis (under 11(1)(b) of these requirements) could be cross-referenced to the relevant performance information. Further information is available at: <http://www.apsc.gov.au/charters/> and <http://www.apsc.gov.au/charters/principles.pdf>.

⁶ Departments may find it useful to refer to Chapter 6 of a report by the Senate Finance and Public Administration Committee on the format of PBSs which provides useful information on financial tables and statements available at http://www.aph.gov.au/senate/committee/fapa_ctte/pbs2/report/c06.htm, and also the Government response to the report which appears in the Senate Hansard of 6 April 2000.

- (3) a series of summary tables showing the total resources for each outcome. A suggested format for each table, which is consistent with the corresponding table in the PBS, is set out in Attachment E. It is suggested that the tables be included in an Appendix to the report; and
- (4) if applicable, details of any matter or circumstance that has arisen since the end of the financial year and has significantly affected or may significantly affect the department's **operations** or financial results in future financial years and how the department plans to deal with these issues.

12 Management and Accountability

(1) *Corporate Governance*

The annual report must include a statement of the structures and processes that the department had in place during the year to implement the principles and objectives of **corporate governance**.⁷ It is suggested that this include:

- (a) the names of the senior executive and their responsibilities;⁸
- (b) senior management committees and their roles;
- (c) corporate and operational plans and associated performance reporting and review, including contribution to specified outcomes;⁹
- (d) internal audit arrangements including the approach adopted to identifying areas of significant operational or financial risk, and arrangements in place to manage those risks;¹⁰

⁷ Australian Stock Exchange (ASX) listing rule 4.10.3 has been used as a guide. The ASX also publishes an indicative list for reporting purposes. Corporate governance items (d), (e) and (f) derive from this list.

⁸ The responsibilities of the senior executive should be able to be reconciled to the department's organisational and outcome/output structures as set out under 'Departmental Overview'. Departments may choose to locate this information in the 'Departmental Overview' section.

⁹ Terminology in relation to departmental plans may vary - it may, for example, involve strategic and business plans. The intent is to address longer-term and annual plans.

¹⁰ Note that, under the Commonwealth Fraud Control Guidelines, agency heads are required to certify in their annual reports that their agency has prepared fraud risk assessments and fraud control plans and has in place appropriate fraud prevention, detection, investigation, reporting and data collection procedures and processes that meet the specific needs of the agency and comply with the Commonwealth Fraud Control Guidelines. Further information can be found at www.ag.gov.au/fraud.

- (e) the department's policy and practices on the establishment and maintenance of appropriate ethical standards;¹¹ and
- (f) how the nature and amount of remuneration for senior executive service officers is determined.¹²

(2) *External Scrutiny*

The annual report must provide information on the most significant developments in external scrutiny of the department and the department's response, including particulars of:

- (a) judicial decisions and decisions of administrative tribunals that have had, or may have, a significant impact on the operations of the department; and
- (b) reports on the operations of the department by the Auditor-General (other than the report on financial statements), a Parliamentary committee or the Commonwealth Ombudsman.

(3) *Management of Human Resources*

- (a) The annual report must include an assessment of the department's effectiveness in managing and developing its staff to achieve its objectives. The focus is on the human resource capability at year end. It is suggested that this may include:
 - workforce planning and staff retention and turnover;
 - the main features of certified agreements and Australian Workplace Agreements (AWAs) and developments regarding agreement making and the impact of making agreements;
 - the department's key training and development strategies, the outcomes of training and development, and evaluation of effectiveness;
 - the department's occupational health and safety performance¹³; and

¹¹ The requirement in relation to APS Values and the Code of Conduct applies to departments and executive agencies, and prescribed agencies staffed under the *Public Service Act 1999*. Under section 44 of the *Public Service Act 1999*, the Public Service Commissioner reports annually on these issues in the State of the Service report.

¹² Financial reporting requirements prescribed by the Minister for Finance and Administration require agencies to disclose in their financial statements the number of executives whose total remuneration falls within each \$10,000 band, commencing at \$100,000, and the aggregate remuneration paid to all executives.

¹³ Specific information is also required pursuant to the *Occupational Health and Safety (Commonwealth Employment) Act 1991* – [Attachment C](#) refers.

- productivity gains.
- (b) The discussion must be supported by broad categories of statistics, for example, on the number of **APS employees**¹⁴ including **ongoing** and **non-ongoing**) as at 30 June for the current and preceding year, by:
- broadbanded classification;
 - full-time/ part-time status;
 - gender; and
 - location.
- (c) The annual report must include information on any certified agreement(s) and AWAs including:
- the number of APS employees covered by a certified agreement and AWAs by SES and non-SES;
 - the salary ranges available for APS employees by classification structure (note: the range should reflect the full span of salaries available under a certified agreement and/or AWAs); and
 - a description of the range of non-salary benefits provided by the agency to employees.
- (d) The annual report must include information on **performance pay** including:
- the number of APS employees at each classification level who received performance pay;
 - the aggregated amount of such performance payments at each classification level (Note: In the case of a small agency, or a small number of employees at each classification level, say five or less, a lesser disaggregation would be necessary to ensure that payments to individuals cannot be identified.);
 - the average bonus payment and the range of such payments at each classification level; and
 - the aggregate bonus payment for the agency as a whole.

¹⁴ This terminology applies to departments and executive agencies, and to prescribed agencies staffed under the *Public Service Act 1999*.

Note: Detailed guidance on how to compile information on performance pay is contained in Attachment B.

(4) *Assets management*

- (a) Where assets management (including assets of which the day to day management has been outsourced) is a significant aspect of the strategic business of the department, an assessment of the effectiveness of assets management is required.¹⁵
- (b) Departments may wish to include a discussion of their asset management plans, particularly if a significant portion of its asset base has a life of 50 years or greater.

(5) *Purchasing*

The annual report must include an assessment of the department's performance against core purchasing policies and principles (including the participation of Australian and New Zealand enterprises and small/medium businesses). Core policies and principles for Commonwealth purchasing are explained in the *Commonwealth Procurement Guidelines and Best Practice Guidelines*.¹⁶

(6) *Consultants*

Many individuals, partnerships and corporations provide services to agencies under contracts for services. However, not all such contractors should be categorised as consultants for the purposes of annual reporting. Consultants are distinguished from other contractors by the nature of the work they perform.

For annual reporting purposes, officials need to be able to distinguish consultancies from "non-consultancy" contracts and employment contracts. Briefly, however, a consultant is an individual, a partnership or a corporation engaged to provide professional, independent and expert advice or services.

15 Departments may find it useful to refer to the JCPAA's Report 363, *Asset Management by Commonwealth Agencies*.

16 The *Commonwealth Procurement Guidelines and Best Practice Guidelines* produced by the Department of Finance and Administration can be found at http://www.finance.gov.au/ctc/commonwealth_procurement_guide.html.

In deciding whether a particular contractor should be categorised as a consultant for annual reporting purposes, the two key questions to ask are:

- Do the services involve the development of an intellectual output that assists with agency decision-making?
- Will the output reflect the independent views of the service provider?

If the answer to both questions is 'yes', the arrangement should be categorised as a consultancy for annual report purposes.

The annual report must include a summary statement detailing:

- a) the number of new consultancy services contracts let during the year;
- b) the total actual expenditure on all new consultancy contracts let during the year (inclusive of GST);
- c) the number of ongoing consultancy contracts that were active in the reporting year; and
- d) the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST).

To ensure consistency in agencies' reports, agencies **must** include a statement along the following lines in the annual report:

"During 2004-05, XX new consultancy contracts were entered into involving total actual expenditure of \$A million. In addition, YY ongoing consultancy contracts were active during the 2004-05 year, involving total actual expenditure of \$B million."

Consistent with the policy of including trend data in annual reports, agencies could also include a table showing expenditure on consultancy contracts over the three most recent financial years.

Care needs to be taken to ensure that expenditure on consultancies in previous years is not included in the annual report for subsequent years. By way of example, if a consultancy contract is let in May 2005, and the contract expires in September 2005 and expenditure under the contract is \$10,000 per month, the annual report for the 2004-05 financial year should record one consultancy contract (for paragraph (a) above) and \$20,000 expenditure (for paragraph (b) above) in relation to that contract. The annual report for the next financial year (2005-06 financial year) would then record that consultancy contract as one ongoing consultancy contract (for paragraph (c) above) and \$30,000 expenditure (for paragraph (d) above). The ongoing consultancy contract should not be included again in the number of consultancy contracts let during the 2005-06 financial year.

Further, more detailed, information on consultancy services is also required, either as an appendix to the report or through the Internet, as set out in Attachment D to these Requirements. The information must be presented in accordance with the proforma at Attachment D. This will ensure that the presentation of information is consistent across all agencies. This additional information requires departments to list each consultancy contract let to the value of \$10,000 or more and the total *value* of each of those contracts over the life of each contract. In other words, this additional information is not concerned with expenditure in the reporting year, but estimated expenditure over the life of each contract that is reported.

(7) *Competitive Tendering and Contracting*

The report must also include a summary statement in relation to **competitive tendering and contracting (CTC)** undertaken during the reporting period which has resulted in a contract being let during the same reporting period; or during a previous reporting period for which a contract is still current. Note that CTC activity in this context relates only to the contracting out of the delivery of government activities, previously performed by a Commonwealth agency, to another organisation, and that it may be undertaken for the provision of either goods or services. It is suggested that the statement refer to the total value and period of each contract let for \$100,000 or more (inclusive of GST), the nature of the activity, and the outcome of CTC, including any **net savings**.

If CTC contracts let during the reporting period of \$100,000 or more (inclusive of GST) do not provide for the Auditor-General to have access to a contractor's premises, the annual report must include the name of the contractor; the purpose and value of the contract; and the reason why standard access clauses were not included in the contract.

(8) *Exempt Contracts*

Any contract in excess of \$10,000 (inclusive of GST) or a standing offer that has been exempted by the Chief Executive from being published in the Purchasing and Disposal Gazette on the basis that it would disclose exempt matters under the *Freedom of Information Act 1982*, the fact that the contract has been exempted and the value of the contract or standing offer must be reported to the extent that doing so does not in itself disclose the exempt matters.

(9) *Commonwealth Disability Strategy*

The annual report must include an assessment of the department's performance in implementing the Commonwealth Disability Strategy in the terms set out in the Guide to the Performance Reporting Framework. To assist agencies the Guide includes templates for the reporting of performance against various indicators. Both the Strategy and the Guide (including the templates) are available from the Office of Disability Policy's web-site <http://www.facs.gov.au/disability/cds>. For further assistance, please contact the Office of Disability Policy on (02) 6244 8528 or (02) 6244 6583.

13 Financial Statements

- (1) Section 57 of the *Financial Management and Accountability Act 1997* requires a copy of the audited financial statements and the Auditor-General's report thereon to be included in each department's annual report tabled in the Parliament. The annual report must include audited financial statements prepared in accordance with the prescribed Finance Minister's Orders.
- (2) Departments are subject to the Goods and Services Tax (GST) on the supply and purchase of goods and services but, generally, are able to claim GST amounts paid to suppliers back from the Australian Taxation Office (ATO), as 'input tax credits'. Departments should take account of the following requirements in accounting for the GST:
 - revenues must be recognised net of GST;
 - expenses and assets must be recognised net of GST that is recoverable from the ATO;
 - receivables and payables must be recognised inclusive of GST;
 - the net amount of GST recoverable from, or payable to, the ATO must be included as part of receivables or payables in the statement of financial position; and
 - cash flows must be presented in the statements of cash flows on a gross basis, inclusive of GST. The GST component of cash flows relating to investing and financing activities which is recoverable from or payable to the ATO must be classified as operating cash flows.

Further information on GST accounting can be found in Urgent Issues Group Abstract 31, a copy of which can be obtained from the Australian Accounting Standards Board website at http://www.aasb.com.au/pronouncements/abstracts_index.htm.

14 Other Mandatory Information

- (1) The annual report must include in an appendix(s) any matters required to be included in the annual report of the department by legislation. There are currently specific legislative requirements in relation to:
- (a) occupational health and safety (section 74 of the *Occupational Health and Safety (Commonwealth Employment) Act 1991*);
 - (b) freedom of information (section 8 of the *Freedom of Information Act 1982*); and
 - (c) advertising and market research (section 311A of the *Commonwealth Electoral Act 1918*).
 - (d) in the case of the following agencies, ecologically sustainable development and environmental performance reporting (section 516A of *Environment Protection and Biodiversity Conservation Act 1999*):
 - portfolio departments (NB: not parliamentary departments);
 - executive agencies;
 - agencies declared to be statutory agencies for the purposes of the *Public Service Act 1999*;
 - Commonwealth authorities and companies as defined under the *Commonwealth Authorities and Companies Act 1997*; and
 - any other Commonwealth agency that is established by or under a law of the Commonwealth and is required by law to give an annual report to the responsible Minister.

Details of these requirements are set out in Attachment C.

- (2) Annual reports must also include information on discretionary grants. Details of these requirements are set out in Attachment D.
- (3) If the previous annual report of a department contains any significant statement on a matter of fact, which has proved to be wrong in a material respect, the annual report must include information to correct the record.

Attachment A

PRODUCTION AND DISTRIBUTION GUIDELINES AND REQUIREMENTS

1. Commonwealth Printing Standards for Documents Tabled in Parliament

The production standards for annual reports tabled in the Parliament are set out in the document entitled '*Printing standards for documents presented to Parliament*' - available at:
http://www.aph.gov.au/house/committee/publ/printing_standards.htm.

2. Guidelines for Commonwealth Information Published in Electronic Formats

Departments are encouraged to make reports accessible from the Internet, and to consider ease of access in the creation and structuring of documents. The electronic version of the annual report should be linked to the electronic version of the related PBS/PAES. Where there are references in the annual report to information available on the Internet, the reference in the electronic version of the annual report should be hyperlinked to the relevant material on the Internet.

For information on creating and structuring documents in electronic formats, refer to the document: *Guidelines for Commonwealth information published in electronic formats*, available at
<http://www.agimo.gov.au/information/publishing/formats>.

3. Distribution Arrangements

Information on the printing and distribution requirements for annual reports is referred to in the above-mentioned document on Commonwealth printing standards.

Departments need to account for the copies required for tabling (281 when Parliament is sitting and 306 for presentation out of session when Parliament is not sitting), the copies required for the Parliamentary Papers series (a total of 150 comprising, 110 copies bound and trimmed and 40 copies bound and untrimmed), the copies required for the Commonwealth Library Deposit and Free Issues Schemes (currently 44), the copies required for the department's own use, and the copies required for sale and free issue. Departments should ensure that copies (20 in all) are provided for the Senate and House of Representatives committee systems which have the annual reports of departments and agencies within their portfolio areas referred to them. Annual reports are generally required to be printed in the Parliamentary Paper Series.

Guidance on the tabling requirements for annual reports is contained in the document prepared by the Department of the Prime Minister and Cabinet entitled: *Guidelines for the Presentation of Government Documents*,

Government Responses, Ministerial Statements & Other Instruments to the Parliament, available at <http://www.dpmc.gov.au/guidelines/index.cfm>.

4. Letter of Transmittal

- (1) The letter of transmittal to be signed by departmental secretaries should specify that the annual report has been prepared in accordance with section 63 of the *Public Service Act 1999* and any other legislation applicable to the preparation of the annual report by the department. The letter of transmittal to be signed by the Head of an Executive Agency should specify that the annual report has been prepared in accordance with section 70 of the *Public Service Act 1999*.
- (2) The letter of transmittal should indicate that subsection 63(1) (or 70(1) in the case of an Executive Agency) of the *Public Service Act 1999* requires that the Agency Head must give a report to the Agency Minister, for presentation to the Parliament.
- (3) The letter of transmittal to be signed by the heads of budget-funded agencies should specify any relevant (eg, enabling) legislation under which the annual report has been prepared.
- (4) The letter of transmittal is to be dated on the day the signatory approves the final text of the report for printing.

5. Aids to Access

- (1) The annual report must contain:
 - (a) a table of contents;
 - (b) an alphabetical index – covering the contents of any appendixes as well as the contents of the main body of the report; and
 - (c) a glossary to make clear the meanings of any abbreviations and acronyms used.
- (2) The annual report must give details (eg, title, telephone, facsimile, e-mail address) of the contact officer(s) to whom enquiries are to be addressed for further information.
- (3) The annual report must include the address of the Internet homepage for the department, and the Internet address for the annual report (if available electronically).

6. Explanation of Terms

The terms set out below which are first identified in the requirements by means of bold type, have the following meanings in these requirements (unless the contrary intention appears):

- **APS employee:** a person engaged under section 22, or a person who is engaged as an APS employee under section 72, of the *Public Service Act 1999*.
- **competitive tendering and contracting (CTC):** the process of contracting out the delivery of government activities previously performed by a Commonwealth agency to another organisation. The activity is submitted to competitive tender, and the preferred provider of the activity is selected from the range of bidders by evaluating offers against predetermined selection criteria.
- **corporate governance:** the process by which agencies are directed and controlled. It is generally understood to encompass authority, accountability, stewardship, leadership, direction and control.
- **financial results:** the results shown in the financial statements of an agency.
- **materiality:** takes into account the planned outcome and the relative significance of the resources consumed in contributing to the achievement of that outcome.
- **net savings:** the net savings achieved from the implementation of CTC. This is the reduction in costs incurred in obtaining the service after CTC implementation compared with the costs incurred in obtaining the service prior to the implementation. The costs incurred after implementation include the costs of managing the contract but not any costs of implementation or transition (that is, the costs of scoping the activity, baseline costing, developing the purchasing strategy, developing the statement of requirement, contract development, tender evaluation methodology, contract negotiations, costs relating to any redundancies or surplus assets and accommodation, profits from asset sales).
- **non-ongoing APS employee:** an APS employee who is not an ongoing APS employee.
- **ongoing APS employee:** a person engaged as an ongoing APS employee as mentioned in paragraph 22(2)(a) of the *Public Service Act 1999*.
- **operations:** functions, services and processes performed in pursuing the objectives or discharging the functions of an agency.

- **outcomes:** the results, impacts or consequence of actions by the Commonwealth on the Australian community. They should be consistent with those listed in agencies' PBS/PAES.
- **output groups:** the aggregation based on homogeneity, type of product or beneficiary target group, of outputs. Aggregation may also be needed for the provision of adequate information for performance monitoring; or based on a materiality test.
- **outputs:** the goods or services produced by agencies on behalf of government for external organisations or individuals. Outputs include goods and services produced for other areas of government external to an agency.
- **performance information:** evidence about performance that is collected and used systematically which may relate to appropriateness, effectiveness and efficiency and the extent to which an outcome can be attributed to an intervention. Performance information may be quantitative (numerical) or qualitative (descriptive), however it should be verifiable. Performance measures are more precise than indicators, and are used when there is a causal link between an intervention and a measurable change in performance. Evaluations may also be periodically utilised to assess the performance of programs.
- **purchaser / provider arrangements:** arrangements under which the outputs of one agency are purchased by another agency to contribute to outcomes. Purchaser / provider arrangements can occur between Commonwealth agencies or between Commonwealth agencies and State/Territory government or private sector bodies.
- **service charters:** it is Government policy that departments which provide services directly to the public have service charters in place. A service charter is a public statement about the service that a department will provide and what customers can expect from the department.

Attachment B

PERFORMANCE PAY - ADDITIONAL GUIDANCE ON REPORTING REQUIREMENTS

Each department's annual report must include information about performance pay, also known as performance-linked bonuses and usually taking the form of a one-off payment in recognition of performance.

In compiling the information about performance pay, departments should:

- Include all eligible ongoing and non-ongoing APS staff;
- Include staff who left the department during the financial year, even if the performance payment was made after their departure;
- Include staff on leave of any kind at the end of the financial year;
- Report the aggregate of actual payments, not payments before moderation;
- Include each employee under one classification only. If an employee was promoted during the year and received performance pay at the lower classification only, include that employee in the report for the lower classification. If the promoted employee received performance pay at both classifications or at the higher level only, include the employee in the report for the higher level only and include the total payment in the aggregated payment report for that classification. Do not include the same employee in both classifications and do not break up the payment when aggregating the total payments for the various classifications;
- Not include performance-linked advancement (advancement to a higher pay point which then becomes the employee's nominal salary). If an employee receives a performance bonus and a performance-linked advancement, only the bonus element should be reported;
- Not include payments in the nature of retention payments, job loadings or skills and responsibilities loadings; and
- Not include bonuses that accrued wholly in a previous financial year, even if they were paid in the financial year to which the report relates. Accordingly, if a payment was made in the 2004-05 financial year for performance in respect of the period 1 October 2002 to 30 September 2003, it should not be included in the 2004-05 annual report. If a significant number of payments fall in to this category, consideration should be given to correcting the information in the previous year's annual report.

Attachment C

INFORMATION ON SPECIFIC STATUTORY PROVISIONS RELATING TO ANNUAL REPORTS

1. Occupational Health and Safety

Although changes have been proposed to the reporting requirements on occupational health and safety in departmental annual reports, they will require legislative amendments, which have not been passed by the Parliament as yet, and so existing requirements continue unchanged.

Section 74 of the *Occupational Health and Safety (Commonwealth Employment Act) 1991* (the OH&S Act) relates to the annual reports of departments and Commonwealth authorities.

In accordance with subsection 74(1) of the OH&S Act, the annual report is to include details of the following matters:

- the occupational health and safety policy of the department or authority during the financial year, including details of:
 - any agreement made with employees relating to occupational health and safety;
 - the establishment of committees to deal with occupational health and safety matters; and
 - the selection of health and safety representatives;
- measures taken during the year to ensure the health, safety and welfare at work of employees and contractors of the department or authority;
- statistics of any accidents or dangerous occurrences during the year that arose out of the conduct of undertakings by the department or authority and that required the giving of notice under section 68;
- any investigations conducted during the year that relate to undertakings carried on by the employer, including details of all:
 - tests conducted on any plant, substance or thing in the course of such investigations;
 - directions given to the employer under section 45 during the year; and
 - notices given to the employer under sections 29, 46 and 47 during the year;

- such other matters as are prescribed.

Where the Act establishing a Commonwealth authority does not require the authority's annual report to be tabled in Parliament, the portfolio department may need to include occupational health and safety information relating to that authority in the department's annual report. Subsection 74(2) of the OH&S Act refers.

2. Freedom of Information

Although changes have been proposed to the reporting requirements on FOI in departmental annual reports, they will require legislative amendments, which have not been passed by the Parliament as yet, and so existing requirements continue unchanged.

Subsection 8(1) of the *Freedom of Information Act 1982* sets out the information, which the responsible Minister of the agency shall cause to be published and updated each year.

In summary, the information required under subsection 8(1) includes particulars of the following:

- the organisation, functions and decision-making powers of the agency;
- the arrangements for bodies or persons outside the Commonwealth to participate in the formulation of policy by the agency, or in the administration by the agency, of any enactment or scheme;
- the categories of documents that are maintained by the agency;
- the facilities that are provided by the agency for enabling members of the public to obtain physical access to the documents of the agency; and
- FOI procedures and initial contact for inquiries.

Subsection 8(3) provides that the information is to be published by including it in the annual report of the agency or, if there is no such report, in the annual report of the department or a department administered by the responsible Minister.

The annual report is to contain information required under subsection 8(1) in relation to the department and any agency in the Minister's portfolio which does not produce its own annual report and in relation to which such information is not included in the annual report of another department in the same portfolio.

3. Advertising and Market Research

Please note that the following replicates the substance of the reporting requirements contained in section 311A of the *Commonwealth Electoral Act 1918*. The government has agreed to a recommendation of the Joint Standing Committee on Electoral Matters that section 311A be deleted and the reporting requirements contained in it be transferred to these *Requirements*. The necessary legislative amendment has not yet been passed by the Parliament. Once it has, the requirement to report on advertising and market research will be referred to as a mandatory requirement in the body of the *Requirements* and the detail below transferred to Attachment D of the *Requirements*, 'Other Specific Requirements'.

Section 311A of the *Commonwealth Electoral Act 1918* requires certain annual reporting by each Commonwealth Department (defined as a department of State, a parliamentary department and a branch or part of the Australian Public Service in relation to the staff of which a person has, under an Act, the powers of, or exercisable by, an Agency Head under the *Public Service Act 1999*).

The reporting requirements below are based on the *Commonwealth Electoral Act 1918*. Please note that the **reporting on advertising and market research is not restricted to electoral matters**.

The annual report is to include a statement setting out particulars of all amounts paid by, or on behalf of the Commonwealth Department during the financial year to:

- advertising agencies – meaning creative advertising agencies which have developed advertising campaigns. The amount of money paid to them should be the amount paid in creative head hours. Recruitment and tender notices are not required to be reported under this item but should be reported in relation to the item below on payments to media advertising organisations;
- market research organisations;
- polling organisations;
- direct mail organisations – includes those organisations which handle the sorting and mailing out of information material to the public. The costs reported should cover only the amount paid to the organisation and not the cost of postage or production of the material sent out. Where a creative agency or direct marketing agency has been used to create the direct mail materials, the amount paid to the agency should be reported here; and
- media advertising organisations – the master advertising agencies which place Government advertising in the media. This covers both campaign and non-campaign advertising.

The statement must identify the persons or organisations to whom those amounts were paid. Particulars of payments of value less than \$1,500 (inclusive of GST) are not required.

Where information might be reportable both under this heading and also under reporting of Consultants and Competitive Tendering and Contracting required by paragraph 12(6), it should be reported under both headings but flagged as such.

4. Ecologically Sustainable Development (ESD) and Environmental Performance

Section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* (the EPBC Act) requires departments to report on:

1. how the activities of, and the administration (if any) of legislation by, the agency during the period accorded with the principles of ESD;
 - the EPBC Act notes that ‘*activities*’ includes developing and implementing policies, plans, programs and legislation, and the operations of the organisation;
 - the principles of ESD are detailed below;
2. how the outcomes (if any) specified for the agency in an Appropriations Act relating to the period contribute to ESD;
3. the effect of the agency’s activities on the environment;
 - the EPBC Act defines the environment to mean:
 - (a) ecosystems and their natural parts, including people and communities;
 - (b) natural and physical resources;
 - (c) the qualities and characteristics of locations, places and areas; and
 - (d) the social, economic and cultural aspects of the things mentioned above;
4. any measures the agency is taking to minimise the impact of activities by the agency on the environment; and
5. the mechanisms, if any, for reviewing and increasing the effectiveness of those measures.

The EPBC Act identifies the following as the principles of ESD:

- (a) decision-making processes should effectively integrate both long-term and short-term economic, environmental, social and equitable considerations;
- (b) if there are threats of serious or irreversible environmental damage, lack of full scientific certainty should not be used as a reason for postponing measures to prevent environmental degradation;
- (c) the principle of inter-generational equity – that the present generation should ensure that the health, diversity and productivity of the environment is maintained or enhanced for the benefit of future generations;
- (d) the conservation of biological diversity and ecological integrity should be a fundamental consideration in decision-making; and
- (e) improved valuation, pricing and incentive mechanisms should be promoted.

Further information on ESD, including a copy of the EPBC Act and a suggested approach to meeting the statutory ESD reporting requirements, can be found at <http://www.ea.gov.au/esd>. Given the diversity of agencies in terms of size and operations, and in line with principles of CEO independence, it is for individual agencies to have regard to their own circumstances in determining how best to meet ESD reporting requirements.

Attachment D

OTHER SPECIFIC REQUIREMENTS

1. Discretionary Grants

The annual report must contain a list of discretionary grant programmes administered by the department. A list of grant recipients is required to be available, for example, in an appendix to the report, on request or through the Internet.

Discretionary grants are payments where the portfolio minister / paying agency has discretion in determining whether or not a particular applicant receives funding and may or may not impose conditions in return for the grant. There is a central discretionary grants register.

Further information on discretionary grants is available from the Discretionary Grants Central Register Systems Administrator in the Department of Finance and Administration on 6215 2222.

2. Consultancy Services

In addition to the summary information in the body of the report (section 12(6) of the Requirements refers) on the number of consultancy services contracts let during the year and the total expenditure on consultancy services, departments **must** provide in either an appendix to the report or through the Internet, the following information on consultancy services for the year. The information **must** be presented in accordance with the proforma set out at the end of this section:

- a summary of the department's policy on the selection and engagement of consultants, its selection procedures, and the main categories of purposes for which consultants were engaged;
- a list of all consultancy contracts let in the reporting year to the value of \$10,000 or more (inclusive of GST), with details as follows for each individual consultancy, except where the large number of consultancies renders this impractical:
 - (a) the name of the consultant;
 - (b) a summary description of the nature and purpose of the consultancy;
 - (c) the contract price for the consultancy;
 - (d) the selection process used, including whether the consultancy was publicly advertised; and
 - (e) the justification for the decision to employ consultancy services.

Where no total fixed price exists for a consultancy agreement, or where actual expenditure exceeds the originally agreed contract price, the value of the consultancy contract should be taken as the actual expenditure. In each case the reason for the absence of, or going over, a fixed price should be noted.

Typical reasons for engaging consultancy services include a requirement for specialist expertise not available within the department or where an independent assessment is considered desirable. The selection process may involve, for example, open tender, selective tender, direct sourcing, or a panel of: a recognised and pre-eminent expert, a consultant who had previously undertaken closely related work for the department, or a consultant known to have the requisite skills where the value of the project did not justify the expense or delay associated with seeking tenders.

If a consultancy is let for advertising and market research, that consultancy should be reported in both the 'consultancy' and 'advertising and market research' categories but flagged as such.

Detailed guidance on this issue is available from the Department of Finance and Administration's web-site,
www.finance.gov.au/ctc/toolkits/procurement_guidance.html.

Further information on definitional and technical issues relating to consultancies should be directed to a department's own contract manager. Questions relating to the Commonwealth Procurement Framework can be directed to the Department of Finance and Administration's Purchasing Advisory and Complaints Service (freecall 1800 650 531, e-mail pacs@finance.gov.au, fax (02) 6215 3366).

PROFORMA PRESENTATION OF INFORMATION - REPORTING OF CONSULTANCY CONTRACTS TO THE VALUE OF \$10,000 OR MORE

The following proforma is based on the way that the information is presented in the 2003-04 annual reports of Centrelink and the Department of Finance and Administration. Columns 4 and 5 of the table below can be completed using abbreviations for the selection method and the reason for engaging the consultant, as explained in the footnotes. The footnotes would form part of the annual report.

Table X: Consultancy services let during 2004-05, of \$10,000 or more

Consultant Name	Description	Contract Price	Selection Process (1)	Justification (2)
ABC Consulting	Provision of independent advisory services for IT programme	\$95,000	Select Tender	B
DW & Associates	Provision of specialist project management expertise	\$75,000	Open Tender	A
Australian Government Solicitor	Legal Services in relation to application of legislation	\$12,000	Panel	B
XYZ P/L	Assessment of training needs	\$50,000	Direct Sourcing	C
TOTAL		\$232,000		

(1) Explanation of selection process terms drawn from the Commonwealth Procurement Guidelines (January 2005):

Open Tender: A procurement procedure in which a request for tender is published inviting all businesses that satisfy the conditions for participation to submit tenders.

Select Tender: A procurement procedure in which the procuring agency selects which potential suppliers are invited to submit tenders in accordance with the mandatory procurement procedures.

Direct Sourcing: A procurement process, available only under certain defined circumstances, in which an agency may contact a single potential supplier or suppliers of its choice and for which conditions for direct sourcing apply under the mandatory procurement procedures.

Panel: An arrangement under which a number of suppliers, usually selected through a single procurement process, may each supply property or services to an agency as specified in the panel arrangements.

(2) Justification for decision to use consultancy:

A – skills currently unavailable within agency

B – need for specialised or professional skills

C – need for independent research or assessment

Attachment E

RESOURCES FOR OUTCOMES

Departments must provide (for example, in an appendix to the report) a table for each outcome showing the total resourcing for the outcome, including total administered expenses, revenue from Government (Appropriation) for outputs, and the total price of outputs. The information in the table must reconcile with the Appropriation Acts and the financial statements. In reconciling the information for each Outcome, the actual expenses (column 2 in the table below) should agree with the appropriate column in the financial statements (as represented by Table A of Section 2D (Reporting of Outcomes and Outputs) in the 2004-05 Finance Ministers' Orders). A suggested format for the table, which is consistent with a similar table in the PBS, is set out below.

Outcome 1 – Name of outcome

	(1) Budget* 2004-05 \$'000	(2) Actual expenses 2004-05 \$'000	Variation (column 2 minus column 1)	Budget** 2005-06 \$'000
Administered Expenses (including third party outputs)				
Total Administered Expenses				
Price of Departmental Outputs				
Output Group 1.1 – Name of output group 1.1				
Output 1.1.1 – Name of output				
Output 1.1...n				
Subtotal Output Group 1.1				
Output Group 1.2 – Name of output group 1.2				
Output 1.2.1 – Name of output				
Subtotal Output Group 1.2				
Output Group 1...n				
Revenue from Government (Appropriation) for Departmental Outputs				
Revenue from other Sources				
Total Price of Outputs				
TOTAL FOR OUTCOME 1 (Total Price of Outputs and Administered Expenses)				

	2004-05	2005-06
Average Staffing Level		

* Full-year budget, including additional estimates

** Budget prior to additional estimates

Attachment F

CHECKLIST OF REQUIREMENTS

Ref*	Part of Report	Description	Requirement
A.4		Letter of transmittal	Mandatory
A.5		Table of contents	Mandatory
A.5		Index	Mandatory
A.5		Glossary	Mandatory
A.5		Contact officer(s)	Mandatory
A.5		Internet home page address and Internet address for report	Mandatory
9.1	Review by Secretary	Review by departmental secretary	Mandatory
9.2		Summary of significant issues and developments	Suggested
9.2		Overview of department's performance and financial results	Suggested
9.2		Outlook for following year	Suggested
9.3		Significant issues and developments – portfolio	Portfolio departments – suggested
10	Departmental Overview	Overview description of department	Mandatory
10.1		Role and functions	Mandatory
10.1		Organisational structure	Mandatory
10.1		Outcome and output structure	Mandatory
10.2		Where outcome and output structures differ from PBS format, details of variation and reasons for change	Mandatory
10.3		Portfolio structure	Portfolio departments – mandatory
11.1	Report on Performance	Review of performance during the year in relation to outputs and contribution to outcomes	Mandatory
11.1		Actual performance in relation to performance targets set out in PBS/ PAES	Mandatory
11.1		Performance of purchaser/ provider arrangements	If applicable, mandatory
11.1		Where performance targets differ from the PBS/ PAES, + details of both former and new targets, and reasons for the change	Mandatory
11.1		Narrative discussion and analysis of performance	Mandatory
11.1		Trend information	Suggested
11.1		Factors, events or trends influencing departmental performance	Suggested
11.1		Significant changes in nature of principal functions/ services	Suggested
11.1		Performance against service charter customer service standards, complaints data, and the department's response to complaints	If applicable, mandatory
11.1		Social justice and equity impacts	Suggested
11.2		Discussion and analysis of the department's financial performance	Mandatory
11.2		Discussion of any significant changes from the prior year or from budget.	Suggested
11.3		Summary resource tables by outcomes	Mandatory

* The reference is to the location of the item in the requirements – eg, 'A.4' refers to the fourth item in Attachment A.

11.4		Developments since the end of the financial year that have affected or may significantly affect the department's operations or financial results in future	If applicable, mandatory
	Management Accountability		
12.1	Corporate Governance	Statement of the main corporate governance practices in place	Mandatory
12.1		Names of the senior executive and their responsibilities	Suggested
12.1		Senior management committees and their roles	Suggested
12.1		Corporate and operational planning and associated performance reporting and review	Suggested
12.1		Approach adopted to identifying areas of significant financial or operational risk and arrangements in place to manage risks	Suggested
12.1		Agency heads are required to certify that their agency comply with the Commonwealth Fraud Control Guidelines.	Mandatory
12.1		Policy and practices on the establishment and maintenance of appropriate ethical standards	Suggested
12.1		How nature and amount of remuneration for SES officers is determined	Suggested
12.2	External Scrutiny	Significant developments in external scrutiny	Mandatory
12.2		Judicial decisions and decisions of administrative tribunals	Mandatory
12.2		Reports by the Auditor-General, a Parliamentary Committee or the Commonwealth Ombudsman	Mandatory
12.3	Management of Human Resources	Assessment of effectiveness in managing and developing human resources to achieve departmental objectives	Mandatory
12.3		Workforce planning, staff turnover and retention	Suggested
12.3		Impact and features of certified agreements and AWAs	Suggested
12.3		Training and development undertaken and its impact	Suggested
12.3		Occupational health and safety performance	Suggested
12.3		Productivity gains	Suggested
12.3		Statistics on staffing	Mandatory
12.3		Certified agreements and AWAs	Mandatory
12.3		Performance pay	Mandatory
		Contracts exempt from Purchasing and Disposal Gazette	Mandatory
12.4	Assets management	Assessment of effectiveness of assets management	If applicable, mandatory
12.5	Purchasing	Assessment of purchasing against core policies and principles	Mandatory
12.6	Consultants	The annual report must include a summary statement detailing the number of new consultancy services contracts let during the year; the total actual expenditure on all new consultancy contracts let during the year (inclusive of GST); the number of ongoing consultancy contracts that were active in the reporting year; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST). (Additional information as in Attachment D to be available on the Internet or published as an appendix to the report. Information must be presented in accordance with the proforma as set out in Attachment D.)	Mandatory
12.7	Competitive Tendering and Contracting	Competitive tendering and contracting contracts let and outcomes	Mandatory

12.7		Absence of contractual provisions allowing access by the Auditor-General	Mandatory
12.8	Exempt contracts	Contracts exempt from the Purchasing and Disposal Gazette	Mandatory
12.9	Commonwealth Disability Strategy	Report on performance in implementing the Commonwealth Disability Strategy	Mandatory
13	Financial Statements	Financial Statements	Mandatory
	Other Information		
14.1		Occupational health and safety (section 74 of the <i>Occupational Health and Safety (Commonwealth Employment) Act 1991</i>)	Mandatory
14.1		Freedom of Information (subsection 8(1) of the <i>Freedom of Information Act 1982</i>)	Mandatory
14.1		Advertising and Market Research (Section 311A of the <i>Commonwealth Electoral Act 1918</i>)	Mandatory
14.1		Ecologically sustainable development and environmental performance (Section 516A of the <i>Environment Protection and Biodiversity Conservation Act 1999</i>)	Mandatory
14.2	Other	Discretionary Grants	Mandatory
14.3		Correction of material errors in previous annual report	If applicable, mandatory