

Chapter 1

Overview

1.1 The committee is responsible for examining the annual reports of departments and agencies within two portfolios:

- Agriculture, Fisheries and Forestry; and
- Transport and Regional Services.

Terms of reference

1.2 Under Senate Standing Order 25(21), annual reports of departments and agencies shall stand referred to the legislation committees in accordance with an allocation of departments and agencies in a resolution of the Senate. Each committee shall:

- (a) examine each annual report referred to it and report to the Senate whether the report is apparently satisfactory;
- (b) consider in more detail, and report to the Senate on, each annual report which is not apparently satisfactory, and on the other annual reports which it selects for more detailed consideration;
- (c) investigate and report to the Senate on any lateness in the presentation of annual reports;
- (d) in considering an annual report, take into account any relevant remarks about the report made in debate in the Senate;
- (e) if the committee so determines, consider annual reports of departments and budget-related agencies in conjunction with examination of estimates;
- (f) report on annual reports tabled by 31 October each year by the tenth sitting day of the following year, and on annual reports tabled by 30 April each year by the tenth sitting day after 30 June of that year;
- (g) draw to the attention of the Senate any significant matters relating to the operations and performance of the bodies furnishing the annual reports; and
- (h) report to the Senate each year whether there are any bodies which do not present annual reports to the Senate and which should present such reports.¹

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

Purpose of annual reports

1.3 The tabling and scrutiny of annual reports is an important element in the process of accountability to Parliament. The information provided in annual reports is placed on the public record and assists Parliament to examine the performance of departments and agencies and the administration of government programs.

Requirements

1.4 The annual reports are examined by the committee to determine whether they are timely and 'apparently satisfactory'. In forming its assessment the committee considers whether the reports comply with the relevant legislation and guidelines for the preparation of annual reports:

- for departments of state and executive agencies: *Public Service Act 1999*, subsections 63(2) and 70(2), and the *Requirements for Annual Reports for Department, Executive Agencies and FMA Act Bodies*, Department of Prime Minister and Cabinet, updated June 2005 and approved by the Joint Committee of Public Accounts and Audit on 29 June 2005.
- for commonwealth authorities and companies: the *Commonwealth Authorities and Companies Act 1997* (the CAC Act), sections 9, 36 and 48, and the *Commonwealth Authorities and Companies (Report of Operations) Orders 2002*.
- for non-statutory bodies: the requirements are contained in the Government response to the report of the Senate Standing Committee on Finance and Government Operations on Non-statutory bodies, Senate *Hansard*, 8 December 1987, pp. 2643–45.

Reports referred to the committee

1.5 Under Standing Order 25(21)(f), the committee is required to report on annual reports tabled by 31 October each year by the tenth sitting day of the following year. This year, that date is 29 March 2006. However the Committee sought and obtained an extension of time to report until the Budget sittings in May. The committee is also required to report on annual reports tabled by 30 April each year by the tenth sitting after 30 June of that year.

1.6 This report considers annual reports which were tabled in the Senate or presented to the President between 1 May 2005 and 31 October 2005.

1.7 The committee examined 8 annual reports of agencies within the Agriculture, Fisheries and Forestry portfolio and 6 annual reports of agencies within the Transport and Regional Services portfolio. A complete list of reports referred to the committee (including those not examined) appears at Appendix 1.

Reports not examined

1.8 The committee is not obliged to report on Acts, statements of corporate intent, surveys, corporate plans or errata. The following 8 documents were referred to the committee and not examined:

- Australian Rail Track Corporation Ltd: Statement of corporate intent 2005-06;
- Civil Aviation Safety Authority: Corporate plan 2005-06 to 2007-08;
- *Dairy Produce Act 1986*: Funding contract with Dairy Australia Ltd—Report for 2003–2004;
- Department of Agriculture Fisheries and Forestry: Innovating rural Australia: Research and development corporation outcomes—report for 2004;
- *Local Government (Financial Assistance) Act 1995*: Report for 2003–04 on the operation of the Act;
- National Residue Survey Report for 2004–05;
- *Sydney Airport Demand Management Act 1997*: Quarterly report on the maximum movement limit for Sydney Airport for the period 1 October to 31 December 2004; and
- *Sydney Airport Demand Management Act 1997*: Quarterly report on the maximum movement limit for Sydney Airport for the period 1 January to 31 March 2005.

Timeliness

1.9 The *Requirements for Annual Reports* specify that annual reports must be tabled in parliament by 31 October each year, except where an agency's own legislation provides a timeframe for its annual report.² For agencies reporting under the CAC Act, annual reports must be given to the responsible Minister by 15 October.³

1.10 A number of annual reports were tabled in the Senate after the relevant deadlines, and beyond the date they may be considered within this report. In most cases, this was due to delays in Ministers providing the reports for tabling, rather than the agencies themselves failing to meet the deadline for publishing their annual report. The agencies whose reports were tabled late will be examined in the next report on annual reports. A list of these reports appears at Appendix 2.

2 *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, Department of Prime Minister and Cabinet, June 2005, p. 2.

3 Section 9, *Commonwealth Authorities and Companies Act 1997*.

Quality

1.11 Under Standing Order 25(21)(a) the committee is required to examine reports and inform the Senate as to whether they are 'apparently satisfactory'. The committee considers compliance with the reporting guidelines stipulated by the legislation under which various departments and agencies present their annual reports.

1.12 The committee is pleased to note that the annual reports examined generally adhered satisfactorily to the relevant reporting requirements and were presented to a high standard. Where relevant, reports detailed programs and activities with a focus on performance measurement against outcomes and goals, in relation to forecasts listed in the Portfolio Budget Statements.

1.13 The committee notes section 6(2) of the Commonwealth Authorities and Companies (Report of Operations) Orders 2002, which states that the report of operations "should be free of ambiguity, jargon and excessive use of acronyms and technical terms".

1.14 Further, while no longer mandatory, the committee recommends the inclusion of a compliance index in annual reports, which preferably should include a nil return entry where the agency has nothing to report under an item. Such an index greatly assists the committee's task in assessing the reports, and also should assist the agencies by clearly showing that compliance obligations have been met.

1.15 Specifically, the committee considers that the Australian Maritime College and the National Transport Commission reports would benefit from including compliance indexes. Neither of these reports included a statement of corporate governance nor an assessment of performance in implementing the Commonwealth's disability strategy. The committee found it difficult to assess whether these reports complied with requirements in other areas. A compliance index specifying a nil return where applicable would assist greatly.

1.16 The committee notes that the National Transport Commission is only subject to certain provisions of the CAC Act, but one of these is section 9 which covers its annual reporting requirements. The Commission's report was an A4 sized document. The guidelines for the presentation of government documents, government responses, ministerial statements & other instruments to the parliament specify that reports should be printed in international B5 size. In any case, documents that are to be included in the Parliamentary Papers series (such as the annual reports of departments and agencies) must be provided in the B5 size.

1.17 Although not subject to the timeframes in the CAC Act or the Financial Management and Accountability (FMA) Act, there appear to have been significant delays in the tabling of the following reports:

- Northern Territory Fisheries Joint Authority Report 2000-01;
- Northern Territory Fisheries Joint Authority Report 2001-02;

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- Northern Territory Fisheries Joint Authority Report 2002-03;
 - Torres Strait Protected Zone Joint Authority Report 2002-03;
 - Western Australian Fisheries Joint Authority Report 2001-02; and
 - Western Australian Fisheries Joint Authority Report 2002-03.

1.18 The committee has written to the Australian Fisheries Management Authority requesting additional advice about the fisheries joint authorities and will examine these reports in the light of that advice when it is received.

1.19 The committee encourages all agencies to provide a specific date with the letter of transmittal. The Australian Maritime College did not provide a specific date in its 2003 annual report and has still not done so in its 2004 annual report. The committee requests it to remedy this for next year.

Senate remarks on annual reports

1.20 Senate Standing Order 25(21)(d) directs the committee to take into account remarks made in the Senate when considering annual reports.

1.21 Senator Sterle referred to the Australian Maritime Safety Authority annual report of 2004-05 while speaking in support of a motion relating to Australia's border security and the problem of illegal fishing in Australian waters.⁴

Comment on significant matters

1.22 Finally, in accordance with Senate Standing Order 25(21)(g), the committee is required to comment on significant matters raised in annual reports. In addition to its consideration of the departmental annual reports in Chapter 2, the committee has also considered the reports of the following agencies in Chapter 3:

- Airservices Australia; and
- Australian Maritime Safety Authority.

4 Senate *Hansard*, 10 November 2005, pp.180–183.

