

The Senate

Rural and Regional Affairs and
Transport Legislation Committee

Annual reports (No. 1 of 2006)

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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.

Chapter 2

Annual reports of departments

Department of Agriculture, Fisheries and Forestry

2.1 The Department of Agriculture, Fisheries and Forestry's (DAFF) 2004-05 annual report was prepared in accordance with section 63 of the *Public Service Act 1999* and tabled on 7 November 2005. The committee notes the Senate's receipt of this report on 27 October 2005.

2.2 The report is presented in accordance with the checklist of requirements stipulated in the Department of Prime Minister and Cabinet's *Requirements for Annual Reports for Departments Executive Agencies and FMA Act Bodies, June 2005*. The DAFF 2004-05 annual report contains the following information:

- the Secretary's yearly review highlighting the achievements of the Department and future outlook;
- a departmental overview outlining DAFF's operations and organisational structure;
- report on performance as measured against output objectives;
- an overview of the Department's management and accountability arrangements, including corporate governance practices, internal and external scrutiny, purchasing and tendering; and
- appendices detailing financial statements, FOI requests, discretionary grants, occupational health and safety procedures and advertising and market research.

2.3 The committee notes that all mandatory requirements for the report have been met, although the level of detail provided against each mandatory reporting item varied considerably. Overall, this is a well constructed and comprehensive report.

Departmental overview

2.4 The committee notes that the following were amongst the many significant issues for DAFF during the reporting period:

- development and delivery of drought assistance. Initiatives included the relaxation of exceptional circumstances criteria. The Department administered over \$226 million of direct drought assistance during the year;
- developing appropriate policies and programmes in response to expected changes in the agriculture and food sector over the next 15 years. DAFF

published a *Stocktake* paper analysing issues confronting the food and agriculture sector, which provided a resource for the high level Reference Group chaired by NFF President Peter Cornish, established by the Government to examine these issues;

- natural resource management and sustainability, and in particular, issues relating to water quality and allocation were a significant part of DAFF's work program during the year. The National Water Initiative resumed;
- illegal fishing. While the commitment to the presence of an armed patrol significantly reduced illegal fishing in southern waters such as around Heard and MacDonal Islands, illegal fishing incursions from the north continued to increase;
- trade liberalisation. Free trade agreements (FTAs) with the USA and Thailand were implemented, and DAFF participated in negotiations in relation to further possible agreements with China, Malaysia, the UAE, the Association of Southeast Asian Nations (ASEAN) and Japan;
- a highlight was the successful legal challenge in the WTO to European Union export sugar subsidies;
- quarantine – for AQIS, a major focus was on preventing the entry of bird flu into the country;
- import risk assessments – the sensitivity of this issue saw Biosecurity Australia become a prescribed agency under the FMA Act on 1 December 2004. This move is intended to increase the independence of such assessments. Two risk assessments of particular interest were in relation to the proposed importation of apples from New Zealand, and bananas from the Philippines.

2.5 The committee notes the appointment of a new Secretary to the Department, Ms Joanna Hewitt, who joined DAFF in October 2004. In her Secretary's review, Ms Hewitt emphasised the importance of the Reference Group chaired by NFF President, Mr Peter Cornish, in helping to set the direction for DAFF's future policies and programs.¹

2.6 The Secretary also noted that prolonged drought continued to affect the profitability of many primary producers, and that the development and delivery of drought assistance policies was one of the major themes of DAFF's work during the year. Others included international trade, border protection, industry competitiveness and natural resource management.²

1 *Department of Agriculture, Fisheries and Forestry Annual Report 2004–05*, p. 1.

2 *Department of Agriculture, Fisheries and Forestry Annual Report 2004–05*, pp. 1–5.

Report on performance

2.7 DAFF has reviewed its performance based on objectives established in the 2004-05 Portfolio Budget Statements (PBS). The Department's success in achieving its outputs and outcomes is measured through:

- overall effectiveness indicators in achieving outcomes;
- departmental indicators in delivering each output;
- administered items in delivering specific Australian Government programmes and their subsequent contribution to outputs.³

2.8 This is an extensive and detailed section of the report, occupying 130 pages of text.⁴ The committee considers that DAFF has been thorough in evaluating its performance, to the extent that this is possible. The committee notes that there is much useful and interesting information in the section. Some of the items that the committee particularly noted include:

- In the corresponding report for 2003-04, (examined in Report no. 1 of 2005) the committee noted that \$55 million had been provided under the National Action Plan for Salinity and Water Quality. In 2004-05, this amount increased to \$397.4 million, provided through the Action plan and the National Heritage Trust. The major investment was in developing and implementing integrated catchment management or National Resource Management plans by community-based regional bodies. 52 of the 56 regional National Resource Management plans have been accredited;⁵
- In relation to salinity mitigation in the Murray-Darling basin, DAFF reported that at Morgan, salinity continued to be below the 800EC target 95% of the time, compared to 60% before construction of salt interception works;⁶
- During 2004-05, over 13 300 farm families received exceptional circumstances relief payments totalling \$107.6 million under the Farm Household Support Act. The ANAO Drought Assistance Audit found that the drought assistance measures 'have generally been responsive and effective';⁷ and
- over \$42 million was provided in 2004-05 under the Sugar Industry Reform Program.⁸

3 *Department of Agriculture, Fisheries and Forestry Annual Report 2004–05*, p. 15.

4 *Department of Agriculture, Fisheries and Forestry Annual Report 2004–05*, pp. 15–145.

5 *Department of Agriculture, Fisheries and Forestry Annual Report 2004–05*, pp. 18–19.

6 *Department of Agriculture, Fisheries and Forestry Annual Report 2004–05*, p. 28.

7 *Department of Agriculture, Fisheries and Forestry Annual Report 2004–05*, p. 43.

8 *Department of Agriculture, Fisheries and Forestry Annual Report 2004–05*, p. 48.

2.9 Information concerning performance evaluation in relation to quarantine under Output 6 was particularly well presented in the report. The authors of this section utilised more charts and graphs in this section than in other parts of the report, improving overall readability.⁹

2.10 The committee notes that the effectiveness of quarantine interventions exceeded targets in most areas, but fell below targets in relation to international mail.

2.11 The committee noted with interest the information provided in the report about monitoring performance against the client service charter. DAFF and a number of agencies conduct regular client surveys to evaluate performance from the client's perspective, producing mixed results. 70 per cent of clients were satisfied or very satisfied with the level of service provided by ABARE. The BRS achieved better results, achieving a 92 per cent satisfaction rating.¹⁰

Management and accountability

2.12 As required by the Department of Prime Minister and Cabinet's annual reporting guidelines, the report provides information on corporate governance, internal and external scrutiny, human resource management, purchasing, assets management, consultancies, advertising and market research activities, discretionary grants, freedom of information, occupational health and safety, Commonwealth Disability Strategy and ecologically sustainable development and environmental performance.

2.13 Five major Australian National Audit Office performance audits in relation to DAFF's activities were tabled in 2004-05. Of particular interest was Audit Report No. 50: Drought Assistance, which found that on the whole, the delivery of drought assistance was accurate and timely. However, the audit did consider that improvements could be made by reviewing the effectiveness and efficiency of current processes. DAFF's report notes that it has made significant progress in addressing issues raised in the report.¹¹

Conclusion

2.14 The committee considers DAFF's 2004-05 annual report to be well presented and in compliance with the reporting requirements of a Commonwealth department.

9 *Department of Agriculture, Fisheries and Forestry Annual Report 2004–05*, pp. 95–104.

10 *Department of Agriculture, Fisheries and Forestry Annual Report 2004–05*, pp. 133–134.

11 *Department of Agriculture, Fisheries and Forestry Annual Report 2004–05*, pp. 165–167.

Department of Transport and Regional Services

2.15 The Department of Transport and Regional Services Annual Report for 2004-05 was tabled in the Senate on 7 November 2005. The committee notes the Senate's receipt of this report on 28 October 2005.

2.16 The report was prepared under the guidelines referred to in section 63 of the *Public Service Act 1999* and in accordance with the requirements in subsection 63(1) and other relevant legislation.

2.17 The report is structured in accordance with the requirements contained in *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies, June 2005* (the Requirements). It provides a review of the department's performance over 2004-05 and measures performance against the department's output objectives. Also included are the following:

- an outline of the department's structure and operations;
- accountability mechanisms through internal and external review;
- financial statements; and
- appendices relating to: the Commonwealth Access and Equity Strategy; the Bureau of Transport and Regional Economic (BTRE) research; procurement practices and outcomes (including consultancies, market research and advertising); the Commonwealth Disability Strategy; ecologically sustainable development; freedom of information requirements; discretionary grants programmes; additional human resources statistics; and a comparison of old and new performance frameworks.

2.18 The committee notes that all mandatory requirements for the report have been met.

Departmental overview

2.19 In 2004–05 the department reported an operating surplus of \$45.2 million. This largely reflected a reduction in the provision for asbestos-related disease claims that saw revenue increase by \$31.6 million and the liability reduce accordingly.¹² Other issues that affected the department's performance and position included continued growth in revenues and expenses associated with the transport security output and a government decision to reclassify resources for services to the Indian Ocean Territories.

2.20 As a consequence of the latter, some expenses, revenues and assets were reclassified as either administered or departmental and this had significant impacts on

12 *Department of Transport and Regional Services Annual Report 2004–05*, p. 19.

the respective balance sheets. Additionally, \$85.2 million was returned to the Official Public Account.

2.21 The committee notes that the Albury-Wodonga Development Corporation moved to the Finance and Administration portfolio from 16 December 2004, reducing net assets of the department by \$99.8 million.¹³

2.22 During 2004–05 the department continued to implement AusLink. Key legislation was passed to bring six separate infrastructure programmes into a single legal framework to enable a strategic approach to be taken to managing the programmes.¹⁴ Bilateral agreements on future AusLink projects were signed with most states and territories. Negotiations with the remainder are continuing.

2.23 Transport security was again a major focus for the department and it implemented a new regulatory regime for aviation and maritime security as well as an intergovernmental agreement on surface transport security. Additionally the department took on responsibility to regulate security for Australia's 56 offshore oil and gas platforms, and provided support for a government review into security and policing at Australian airports by UK security expert Sir John Wheeler.

2.24 The Office of the Inspector of Transport Security was set up to provide a new investigative capability for major transport security incidents within the department and new arrangements for enhanced aviation security came into force.

2.25 Regional programmes were expanded during the year. Extra funding was provided to Sustainable Regions to support two new regions and 438 new projects were implemented as part of Regional Partnerships. The department developed community partnerships to help manage both programmes.

2.26 The Department Secretary also sponsored the Council of Australian Governments (COAG) East Kimberley Indigenous Trial which focused on community activities and increased use of local resources to meet priorities. Eleven shared responsibility agreements were created to help address youth and women's issues, improve environmental health and provide community infrastructure.

2.27 For the second time in as many years, the department reorganised its structure. The annual report sets out the changes and the reasons for them,¹⁵ as required by the Requirements (paragraph 10(2)).

13 *Department of Transport and Regional Services Annual Report 2004–05*, p. 20.

14 *Department of Transport and Regional Services Annual Report 2004–05*, p. 14.

15 *Department of Transport and Regional Services Annual Report 2004–05*, pp. 6–7 and 221.

Report on performance

2.28 The department's annual report details DOTAR's activities and performance in Chapters 3 and 4. Because of the department's restructure during the period it revised its outcomes and outputs framework to reflect the organisational changes. Therefore the 2004–05 annual report identifies departmental achievements against the new framework and targets published in the 2005-06 Portfolio Budget Statements (PBS) rather than against those in the 2004–05 PBS.¹⁶

2.29 The annual report includes a rating scale indicating a programme's extent of achievement against performance indicators in the PBS. The scale is Fully Achieved, Mostly Achieved, Partly Achieved and Not Achieved.

2.30 Under Outcome 1 the department only partly achieved its targets for providing metal detection equipment and training to 140 regional airports due to delays in contract signing,¹⁷ and likewise for the resolution of the future of the former Australian National Railways Commission plan room.¹⁸ It is unclear from the annual report why the future of the plan room could not be resolved.

2.31 A number of programmes received a Not Achieved rating in the annual report. Allocated grant monies for the Echuca-Moama Bridge and Wodonga rail bypass were not distributed during the period because of ongoing discussions between the Victorian government and various organisations.¹⁹ Additionally, negotiations were continuing as regards the sale of land at Essendon and Coolangatta airports under the compensation for acquisition and sale of airport lands programme.²⁰

2.32 Under Outcome 2 the programme to refurbish Kingston Pier on Norfolk Island was only partly achieved during the year.

Management and accountability

2.33 In accordance with the requirements contained in the Department of Prime Minister and Cabinet's *Requirements for Annual Reports* the report provides mandatory information on matters such as external scrutiny, human resources, purchasing, consultancies, market research and advertising, tendering and contracts, asset management, discretionary grants, freedom of information and occupational health and safety.

2.34 In 2004-05 there was a 66.3 per cent drop in complaints to the Commonwealth Ombudsman about the way the department handled client complaints.

16 *Department of Transport and Regional Services Annual Report 2004–05*, p. 28.

17 *Department of Transport and Regional Services Annual Report 2004–05*, p. 58.

18 *Department of Transport and Regional Services Annual Report 2004–05*, p.72.

19 *Department of Transport and Regional Services Annual Report 2004–05*, p. 70.

20 *Department of Transport and Regional Services Annual Report 2004–05*, p. 103.

Vehicle importation and compliance was the main issue investigated by the Ombudsman. There were no findings of defective administration.²¹

2.35 The department was involved in a range of matters before Australian courts and tribunals during the year. Matters mainly related to motor vehicle imports, airport planning approvals, personal injury claims for asbestos-related disease and coronial inquests.

2.36 A major ruling was made in the matter of *Westfield Management Ltd v Brisbane Airport Corporation Ltd and others*.²² The Federal Court held that the minister's approval of the Brisbane Airport's master plan and the major development plan for an outlet centre were valid and effective. This decision has confirmed that an airport lessee may engage in non-aeronautical on-airport development within the constraints of the *Airports Act 1996* and the terms of the lease.

2.37 The committee notes that in his independent audit report on the department's financial statements the delegate of the Auditor-General included a statement that the department contravened Section 83 of the Constitution²³ when it spent receipts without a valid appropriation. Note 28A to the Financial Statements informs about the circumstances of what seems to be a technical breach.²⁴ It does appear that the responsibility lay in the Department of Finance whose delegate did not have the authority to sign the Section 31 agreement, and not in the Department of Transport and Regional Services. The Senate Finance and Public Administration Legislation committee considered this issue in more detail as it related to the Department of Finance and Administration.²⁵

Conclusion

2.38 The committee considers that the Department of Transport and Regional Services has presented an annual report that is apparently satisfactory. It is a well set-out report that provides good cross-referencing and other devices such as tables and graphs to assist the reader's understanding of the department's endeavours, as well as to explain how the resources entrusted to the department have been used.

21 *Department of Transport and Regional Services Annual Report 2004–05*, p. 162.

22 *Department of Transport and Regional Services Annual Report 2004–05*, p. 164.

23 *Department of Transport and Regional Services Annual Report 2004–05*, p. 229.

24 *Department of Transport and Regional Services Annual Report 2004–05*, p. 299.

25 Finance and Public Administration Legislation Committee, Report on Annual Reports No. 1 of 2006, pp 6 to 7.

Chapter 3

Annual reports of statutory authorities

3.1 A list of statutory authorities' annual reports referred to the committee is contained in Appendix 1.

3.2 The committee notes that several annual reports that would normally be examined in this report were received and tabled after 31 October 2005. These will be examined in the committee's Report on Annual Reports No. 2 of 2006. Of the reports received, the committee undertook closer inspection of the following two:

- Airservices Australia
- Australian Maritime Safety Authority.

Airservices Australia

3.3 Airservices Australia is a government-owned body corporate. It is the organisation with responsibility for providing air traffic management and related services, including fire and rescue services, to the aviation industry in the Australian Flight Information Region (FIR). It was established on 6 July 1995 under the Air Services Act and prepares its report in accordance with the requirements of this Act and the CAC Act. It is funded through charges levied on users of its services. Total revenue in 2004-05 was \$690.7 million, and the organisation paid an interim dividend of \$13.4 million in June 2005.

3.4 The reporting period was one of substantial change at the senior levels of the organisation. A new Chairman, Nick Burton Taylor AM, was appointed, as were five new board members following the expiry of terms or resignations of former members. A new chief executive officer was also appointed.

3.5 The organisation was voted the world's best air traffic control provider for 2005 by the International Air Transport Association, the second time it has received such an award.

3.6 Major priorities for the year included further changes to the National Airspace System, finalising long-term pricing arrangements for air traffic control and aviation fire-fighting and rescue services, and the rollout of a new upper airspace aircraft tracking system known as Automatic Dependant Surveillance – Broadcast (ADS-B). ADS-B will allow quality surveillance of suitably equipped aircraft travelling at above 30 000 feet over the entire continent.

3.7 Compared to other Australian Government agencies, it is an organisation in which senior executives appear to be particularly well remunerated, one officer receiving a package of in excess of \$1 million per year.

3.8 The committee was particularly impressed with the organisation's approach to reviewing performance against objectives, which contained a good mix of discussion and useful graphics. In relation to safety, a key area against which the organisation's performance is assessed, most targets were met or exceeded, with the exception of tower air traffic service incidents, which fell below the target and also showed an increase over previous years.

3.9 Airservices Australia's annual report has been prepared to a high standard and meets all reporting requirements. It is prepared in plain English, is well presented and informative. The committee commends the organisation on the quality of the report.

Australian Maritime Safety Authority

3.10 The Australian Maritime Safety Authority (AMSA) is the national safety agency with a primary role in maritime safety, protection of the marine environment and maritime and aviation search and rescue. Established under the *Australian Maritime Safety Authority Act 1990* as an Australian Government authority, AMSA is largely self-funded through levies on the commercial shipping industry.

3.11 Highlights of the 2004-05 year included AMSA's participation in the International Maritime Organization's (IMO) development and implementation of ship safety and environment protection measures relevant to Australia. A three-year intensive campaign by Australia and Papua New Guinea came to fruition with the IMO approving in July 2005 the extension of the Particular Sensitive Sea Area applicable in the Great Barrier Reef to the Torres Strait. This included the associated protective measures in relation to pilotage and implementation of a two-way shipping route, which is intended to lead to unprecedented improvement in ship navigational safety in the environmentally sensitive region.

3.12 During the period AMSA completed the relevant recommendations from the 2001 *Review of Great Barrier Reef Ship Safety and Pollution Prevention Measures*. It also continued to pursue initiatives to improve the quality of foreign flag ships operating in Australian waters.

3.13 In relation to search and rescue operations, AMSA received \$54.7 million additional funding over four years from the federal budget for contracting four turbine engine aircraft. Three aircraft are to be positioned at strategic locations around Australia and the fourth is to be held in reserve, with any spare capacity being available for use by other government agencies.

3.14 AMSA commenced a dedicated search and rescue service in Darwin for the benefit of northern Australia and upgraded its Rescue Coordination Centre to an Emergency Response Centre by adopting advanced communication and coordination systems. The aim is to strengthen AMSA's interaction with aircraft and other search and rescue agencies and provide a multi-disciplinary response to shipping incidents covering search and rescue, pollution response and monitoring of industry operational standards.

3.15 During the period, AMSA also promoted ship and boating safety awareness, in particular the adoption and effective use of 406MHz distress beacons.

3.16 AMSA jointly held the biennial International Oil Spill Conference, Spillcon 2004, in August 2004. It also planned to hold AMSA shipping workshops in Perth, Sydney and Darwin in July, September and October 2005, respectively.

3.17 The committee considers that AMSA's report is apparently satisfactory in meeting the reporting requirements under the Commonwealth Authorities and Companies Act. The report is well set-out and easy to use. Graphs and tables are utilised where appropriate. The authority is to be commended on its use of plain English which makes the report readily understandable and easy to read. The report also contains a detailed compliance index that greatly assists the reader.

Senator the Hon. Bill Heffernan

Chair

Appendix 1

List of annual reports referred to the committee during the period 1 May 2005 to 31 October 2005

Department of Agriculture, Fisheries and Forestry

	Legislation	Letter of transmittal date	Tabling date*
<i>Department of State</i>			
Department of Agriculture, Fisheries and Forestry – Report 2004-05	<i>Public Service Act 1999</i> <i>Financial Management and Accountability Act 1997</i>	10/10/05	27/10/05*
<i>Statutory authorities</i>			
Australian Wine and Brandy Corporation—Report for 2004-05	<i>Australian Wine and Brandy Corporation Act 1980</i>	30/09/05	18/10/05*
<i>Other</i>			
<i>Dairy Produce Act 1986</i> —Funding contract with Dairy Australia Ltd—Report for 2003-04		n/a	11/10/05
Innovating rural Australia: Research and development corporation outcomes—Report for 2004		n/a	27/10/05*
National Residue Survey—Report 2004-05	<i>National Residue Survey Administration Act 1992</i>	n/a	14/10/05*
Northern Territory Fisheries Joint Authority Report 2000-01	<i>Fisheries Management Act 1991</i>	No letter	09/08/05
Northern Territory Fisheries Joint Authority Report 2001-02	<i>Fisheries Management Act 1991</i>	No letter	09/08/05
Northern Territory Fisheries Joint Authority Report 2002-03	<i>Fisheries Management Act 1991</i>	No letter	11/10/05
Torres Strait Protected Zone Joint Authority Report 2002-03	<i>Torres Strait Fisheries Act 1984</i>	No letter	05/10/05
Western Australian Fisheries Joint Authority Report 2001-02	<i>Fisheries Management Act 1991</i>	No letter	14/06/05

	Legislation	Letter of transmittal date	Tabling date*
Western Australian Fisheries Joint Authority Report 2002-03	<i>Fisheries Management Act 1991</i>	No letter	09/08/05

* An asterisk denotes an out-of-session tabling.

Department of Transport and Regional Services

	Legislation	Letter of transmittal date	Tabling date*
<i>Department of State</i>			
Department of Transport and Regional Services—Report 2004-05	<i>Public Service Act 1999</i> <i>Financial Management and Accountability Act 1997</i>	19/10/05	28/10/05*
<i>Statutory authorities</i>			
Airservices Australia—Report for 2004-05	<i>Airservices Act 1995</i> <i>Commonwealth Authorities and Companies Act 1997</i>	28/09/05	18/10/05*
Australian Maritime College—Report 2004	<i>Maritime College Act 1978</i> <i>Commonwealth Authorities and Companies Act 1997</i>	March 2005	21/06/05
Australian Maritime Safety Authority—Report 2004-05	<i>Australian Maritime Safety Authority Act 1990</i> <i>Commonwealth Authorities and Companies Act 1997</i>	20/09/05	20/10/05*
Civil Aviation Safety Authority—Corporate Plan 2005-06 to 2007-08	<i>Civil Aviation Act 1988</i> <i>Commonwealth Authorities and Companies Act 1997</i>	n/a	16/08/05

	Legislation	Letter of transmittal date	Tabling date*
National Transport Commission— Report 2004-05	<i>National Transport Commission Act 2003</i> <i>Commonwealth Authorities and Companies Act 1997</i>	23/09/05	28/10/05*
<i>Companies</i>			
Australian Rail Track Corporation Ltd—Statement of corporate intent 2005-06	n/a	n/a	5/10/05
Australian River Co. Limited—2004 Annual Report		n/a	14/06/05
<i>Other</i>			
<i>Local Government (Financial Assistance) Act 1995</i> —Report on the operation of the Act for 2003-04		n/a	14/06/05
<i>Sydney Airport Demand Management Act 1997</i> —quarterly report October to December 2004		n/a	21/06/05
<i>Sydney Airport Demand Management Act 1997</i> —quarterly report January to March 2005		n/a	16/08/05

* An asterisk denotes an out-of-session tabling.

Appendix 2

Reports tabled after 31 October 2005¹

- Australian Fisheries Management Authority (date on transmittal letter is 20/09/05; tabled on 8/11/05)
- Australian Landcare Council (date on transmittal letter is 13/09/05; tabled on 8/11/05)
- Australian Pesticides and Veterinary Medicines Authority (date on transmittal letter is 13/09/05; tabled on 8/11/05)
- Australian Rail Track Corporation Ltd (no transmittal letter; tabled on 1/12/05)
- Civil Aviation Safety Authority (date on transmittal letter is 14/10/05; tabled on 15/12/06)
- Cotton Research and Development Corporation (date on transmittal letter is 10/10/05; tabled on 8/11/05)
- Dairy Adjustment Authority (date on transmittal letter is 24/08/05; tabled on 29/11/05)
- Dairy Australia Limited (date on transmittal letter is 28/10/05; tabled on 28/02/06)
- Fisheries Research and Development Corporation (date on transmittal letter is 14/10/05; tabled on 30/11/05)
- Forest and Wood Products Research and Development Corp (date on transmittal letter is 26/08/05; tabled on 8/11/05)
- Grains Research and Development Corporation (date on transmittal letter is 10/10/05; tabled on 8/11/05)
- Grape and Wine Research and Development Corporation (date on transmittal letter is 05/09/05; tabled on 8/11/05)
- International Air Services Commission (date on transmittal letter is 1/09/05; tabled on 8/11/05)

¹ These reports are for 2004-05 unless otherwise stated.

- Land and Water Resources Research and Development Corporation (Land & Water Australia) (date on transmittal letter is 12/10/05; tabled on 9/11/05)
- Maritime Industry Finance Company Ltd (date on transmittal letter is 28/09/05; tabled on 29/11/05)
- Murray-Darling Basin Commission (date on transmittal letter is 23/09/05; tabled on 8/11/05)
- National Capital Authority (date on transmittal letter is 14/11/05; tabled on 30/11/05)
- National Rural Advisory Council – Annual Report for 2001–02 (date on transmittal letter is 17/12/02; tabled on 12/01/06)
- National Rural Advisory Council – Annual Report for 2002–03 (no date on transmittal letter; tabled on 12/01/06)
- National Rural Advisory Council – Annual Report for 2003–04 (no date on transmittal letter; tabled on 12/01/06)
- National Rural Advisory Council – Annual Report for 2004–05 (no date on transmittal letter; tabled on 29/03/06)
- Rural Industries Research and Development Corporation (date on transmittal letter is 30/09/05; tabled on 8/11/05)
- Sugar Research and Development Corporation (date on transmittal letter is 2/09/05; tabled on 8/11/05)
- Wheat Export Authority – Annual Report 2004–2005 (date on transmittal letter is 13/12/05; tabled on 29/03/06)