

The Senate

Standing Committee on
Rural and Regional Affairs
and Transport

Annual reports (No. 2 of 2007)

September 2007

© Commonwealth of Australia

ISBN 978-0-642-71852-5

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

Membership of the Committee

Members

Senator the Hon. Bill Heffernan	LP, New South Wales	Chair
Senator Rachel Siewert	AG, Western Australia	Deputy Chair
Senator Anne McEwen	ALP, South Australia	
Senator Judith Adams	LP, Western Australia	
Senator Julian McGauran	LP, Victoria	
Senator Fiona Nash	NATS, New South Wales	
Senator Kerry O'Brien	ALP, Tasmania	
Senator Glenn Sterle	ALP, Western Australia	

Participating Members

Senator Allison	Senator Carr	Senator Hutchins	Senator Nettle
Senator Barnett	Senator Chapman	Senator Joyce	Senator Payne
Senator Bartlett	Senator Cormann	Senator Kemp	Senator Parry
Senator Bernardi	Senator Crossin	Senator Lightfoot	Senator Polley
Senator Birmingham	Senator Eggleston	Senator Ludwig	Senator Ray
Senator Boswell	Senator Evans	Senator Lundy	Senator Stephens
Senator Boyce	Senator Faulkner	Senator I Macdonald	Senator Trood
Senator B Brown	Senator Fielding	Senator S Macdonald	Senator Watson
Senator C Brown	Senator Fisher	Senator McLucas	Senator Webber
Senator G Campbell	Senator Hogg	Senator Milne	

Committee Secretariat

Ms Jeanette Radcliffe, Secretary

Ms Kyriaki Mechanicos, Research Officer

PO Box 6100
Parliament House
Canberra ACT 2600

phone: (02) 6277 3511

fax: (02) 6277 5811

e-mail: rrat.sen@aph.gov.au

internet: www.aph.gov.au/senate_rrat

Table of Contents

Membership of the Committee	iii
--	------------

List of Abbreviations	vii
------------------------------------	------------

Chapter 1

Overview	1
Terms of reference	1
Purpose of annual reports	2
Requirements	2
Reports referred to the committee	2
Reports not examined	3
Timeliness	3
Comments on reports	5
Senate remarks on annual reports	8
Comment on significant matters	8

Chapter 2

Annual Reports	11
Commonwealth authorities	11
Commonwealth companies	16
Prescribed agencies	17

Appendix 1

List of annual reports referred to the committee during the period 1 November 2006 to 30 April 2007	19
Department of Agriculture, Fisheries and Forestry	19
Department of Transport and Regional Services	22

List of Abbreviations

AFMA	Australian Fisheries and Management Authority
APVMA	Australian Pesticides and Veterinary Medicines Authority
ARTC	Australian Rail Track Corporation
CAC Act	<i>Commonwealth Authorities and Companies Act 1997</i>
CAC Orders	<i>Commonwealth Authorities and Companies (Report of Operations) Orders 2005</i>
CASA	Civil Aviation Safety Authority
CRDC	Cotton Research and Development Corporation
DAA	Dairy Adjustment Authority
EPBC Act	<i>Environment Protection and Biodiversity Conservation Act 1999</i>
FMA Act	<i>Financial Management and Accountability Act 1997</i>
FOI Act	<i>Freedom of Information Act 1982</i>
FRDC	Fisheries Research and Development Corporation
FWPRDC	Forest and Wood Products Research and Development Corporation
GRDC	Grains Research and Development Corporation
GWRDC	Grape and Wine Research and Development Corporation
LWA	Land and Water Australia
MIFCo	Maritime Industry Finance Company Ltd
NCA	National Capital Authority
OH&S Act	<i>Occupational Health & Safety (Commonwealth Employment) Act 1991</i>
PIERD Act	<i>Primary Industries and Energy Research and Development Act 1989</i>
Requirements for Annual Reports	<i>Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies</i>
RIRDC	Rural Industries Research and Development Corporation
SRDC	Sugar Research and Development Corporation
WEA	Wheat Export Authority

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(20), annual reports of departments and agencies shall stand referred to the 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*, September 2006, p. 27. (This Standing Order was amended 24 August 1994, 13 February 1997, 11 November 1998, 3 December 1998, 13 February 2002, 19 November 1992, 14 August 2006: with effect from 11 September 2006).

Purpose of annual reports

1.3 The tabling and scrutiny of annual reports by Senate committees, under Standing Order 25(20), 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 in its examination of 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 these are: *Public Service Act 1999*, subsections 63(2) and 70(2), and the *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, Department of Prime Minister and Cabinet, 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 2005*; and
- 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 Standing Order 25(20)(f), requires committees to report on annual reports tabled by 30 April each year by the tenth sitting day after 30 June of that year. In this instance, the relevant date is 12 September 2007. Committees are also required to report on annual reports tabled by 31 October each year by the tenth sitting day of the following year.

1.6 Annual reports which were tabled in the Senate or presented to the President between 1 November 2006 and 30 April 2007 are considered in this report. This includes annual reports submitted to the minister before 31 October 2006, but tabled subsequent to that date and therefore not considered as part of the committee's report, *Annual reports (No. 1 of 2007)*.

1.7 The committee examined 17 annual reports of agencies within the Agriculture, Fisheries and Forestry portfolio and four 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 seven documents were referred to the committee but have not been examined:

- Dairy Australia: Delivering for the dairy industry—Report for 2005-06;
- *Australian Meat and Live-stock Industry Act 1997*—Report to Parliament on Live-stock Mortalities for Exports by Sea for the Reporting Period 1 July 2006 to 31 December 2006;
- *Dairy Produce Act 1986*—Funding contract with Dairy Australia Ltd—Report for 2005-06;
- Airservices Australia—National Equity and Diversity Program 2004-2007: Progress Report 2005-2006;
- Airservices Australia—Corporate Plan July 2006-June 2011;
- *Sydney Airport Demand Management Act 1997*—quarterly report on the maximum movement limit for the period 1 July to 30 September 2006; and
- *Sydney Airport Demand Management Act 1997*—quarterly report on the maximum movement limit for the period 1 October to 31 December 2006.

Timeliness

1.9 Standing Order 25(20)(c) requires the committee to report to the Senate on the late presentation of annual reports.

1.10 As stated in the *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies* (Requirements for Annual Reports), annual reports must be tabled in Parliament by 31 October each year, except where an agency's own legislation specifies a timeframe for its annual report.² Those agencies reporting under the CAC Act are required to provide their annual reports to the minister by the 15th day of the fourth month after the end of the financial year.³ Where the financial year ends on 30 June, this deadline translates to 15 October.

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

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

1.11 As noted in the committee's report, *Annual reports (No. 1 of 2007)*, a significant number of annual reports were tabled in the Senate after the appropriate deadlines, and consequently will be examined in this report.⁴

1.12 The committee restates its concerns regarding the late presentation of reports, as noted in its report *Annual reports (No. 2 of 2006)*.⁵ All twelve agencies subject to the CAC Act examined in this report, failed to submit their annual reports to the minister by 15 October as required (with the exception of the Wheat Export Authority – see paragraph 1.13). The committee expects that all agencies subject to the CAC Act will ensure that upcoming annual reports meet the relevant deadlines.

1.13 The committee notes that as the Wheat Export Authority's (WEA) financial year ends on 30 September annually, it is not required to provide the minister with its annual report until 15 January the following year. However, the committee remains disappointed that the WEA fails to meet this deadline. The committee expects that future reports will comply with required timeframes.

1.14 The following reports were presented to the Senate out of session, and formally tabled on the next sitting day of the Senate, 6 February 2007:

- Torres Strait Protected Zone Joint Authority—Report for 2003-04;
- Torres Strait Protected Zone Joint Authority—Report for 2004-05; and
- Maritime Industry Finance Company Ltd—Report for 2005-06.

1.15 Although not subject to the timeframes in the CAC Act or the *Financial Management and Accountability Act 1997* (FMA Act), there have been substantial delays in the tabling of the following reports:

- Torres Strait Protected Zone Joint Authority—Report for 2003-04; and
- Torres Strait Protected Zone Joint Authority—Report for 2004-05.

The committee has noted the delay in the presentation of these reports, and expects that the bodies in question will meet the required deadlines in the future.

1.16 The committee recognises that some bodies are required to comply with the timeframes stipulated in their enabling legislation, and appreciates that the relevant deadlines are adhered to by those agencies. Nonetheless, the committee reminds all bodies that, as stated in the Requirements for Annual Reports, the government maintains its policy that all annual reports are to be tabled by 31 October.⁶

4 Senate Rural and Regional Affairs and Transport Committee, *Annual reports (No. 1 of 2007)*, p. 4.

5 Senate Rural and Regional Affairs and Transport Committee, *Annual reports (No. 2 of 2006)*, p. 4.

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

Comments on reports

1.17 Under Standing Order 25(20)(a) the committee is required to scrutinise annual reports and inform the Senate as to whether they are 'apparently satisfactory'. To form this assessment the committee examines whether annual reports comply with the statutory reporting guidelines relevant to each particular report.

1.18 The committee is of the view that the reports examined are generally 'apparently satisfactory', although some do not comprehensively address all of the legislative requirements they are subject to. It is noted, however, that any divergence from these requirements is only minor in nature. The issues of most concern are discussed below.

Aids to Access: Indices

Alphabetical indices

1.19 Under subsection 8(2) of the Requirements for Annual Reports, all annual reports are required to incorporate aids to access, including alphabetical indices.⁷ The committee notes the importance of an alphabetical index in assisting readers to navigate annual reports. While some reports did include alphabetical indices, they were often quite brief and did not effectively aid readers. The committee again notes that the Forest and Wood Products Research and Development Corporation (FWPRDC) and the Grape and Wine Research and Development Corporation (GWRDC) would benefit from including alphabetical indices.

Compliance indices

1.20 As commented in the committee's previous reports on annual reports, although compliance indices are no longer mandatory, the committee recommends their inclusion in annual reports. Compliance indices greatly facilitate the committee's task of ensuring adherence to reporting requirements, and also assist agencies to clearly demonstrate that all legislative obligations have been met.

1.21 The committee found that some compliance indices were more useful than others. Unfortunately, a number of the page references given in the compliance indices were either incorrect, or too broad to be useful. Moreover, many compliance indices were not comprehensive and did not address all reporting requirements. Consequently the committee found it difficult to ascertain if certain agencies reported on:

- whether any 'significant events' (as referred to in section 15 of the CAC Act) had taken place during the financial year;

7 Department of Prime Minister and Cabinet, *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, June 2005, pp 5 and 17.

- the occurrence of any significant changes to the authority's state of affairs or principal activities during the financial year;
- the existence of, and relevant information relating to, any subsidiaries; and
- developments since the end of the financial year which may affect the authority's operations (the committee notes that this information is usually contained in the notes to the financial statements but is often incorrectly referenced in indices).

If the above listed requirements are not applicable to the agency, a nil, n/a or "-" entry should be recorded in the compliance index, or an equivalent statement should be included in the annual report.

1.22 The committee commends those agencies which included compliance indices for each piece of legislation they are required to report under, and notes that the compliance indices of the Rural Industries Research and Development Corporation (RIRDC) and the Australian Fisheries Management Authority (AFMA) annual reports were exemplary. Further, the committee recognises that the recommended practice of including a nil, n/a or "-" entry where the body has nothing to report under an item has been adopted by a number of agencies, a most useful development.

1.23 The committee is disappointed that despite comments made in its report *Annual reports (No. 2 of 2006)*, the Dairy Adjustment Authority (DAA), the FWPRDC, the Murray-Darling Basin Commission, the Maritime Industry Finance Company Ltd (MIFCo) and the Australian Rail Track Corporation Limited (ARTC) again failed to include compliance indices in their annual reports. Consequently the committee found it difficult to determine whether these reports complied with a number of relevant requirements.⁸

Legislative requirements for Commonwealth authorities

1.24 The committee calls attention to section 17 of the *Commonwealth Authorities and Companies (Report of Operations) Orders 2005* (CAC Orders) which notes that the annual reports of Commonwealth authorities must include certain matters required by the relevant sections of the following legislation:⁹

- *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) section 516A;
- *Freedom of Information Act 1982* (FOI Act) subsection 8(1) ; and
- *Occupational Health and Safety (Commonwealth Employment) Act 1991* (OH&S Act) section 74.

8 Senate Rural and Regional Affairs and Transport Committee, *Annual reports (No. 2 of 2006)*, pp 5-6.

9 *Commonwealth Authorities and Companies (Report of Operations) Orders 2005*, s. 17.

The committee encourages agencies to look carefully at the reporting requirements under these pieces of legislation when compiling upcoming reports.

1.25 The committee reminds agencies that they are required to report on *all* five requirements under subsection 516A(6) of the EPBC Act, as exemplified in the RIRDC and AFMA reports. The committee particularly notes that several agencies failed to include information required under paragraphs 516(6)(c) and (e) of the EPBC Act, and encourages agencies to address these requirements in more detail in the future.

1.26 The committee observed that several agencies did not adequately address all requirements under subsection 8(1) of the FOI Act. In particular, the committee observed that most bodies omitted to provide information on arrangements that exist for others to participate in the agencies' policy formulation processes. In this instance the AFMA and the Australian Pesticides and Veterinary Medicines Authority (APVMA) annual reports are exceptions, as both agencies comprehensively address all of the relevant obligations.

1.27 Omissions were again noted in most agencies' attempts to report against the OH&S Act, particularly regarding paragraph 74(1)(c). The committee considers that the Civil Aviation Safety Authority's (CASA) annual report provides a good example of how this requirement should be addressed.

Commonwealth Disability Strategy

1.28 The level of detail provided regarding compliance with the Commonwealth Disability Strategy varied greatly. The committee notes section 18 of the CAC Orders, which specifically states that an assessment of an authority's performance in implementing the Strategy must be provided in accordance with the terms set out in the Guide to the Performance Reporting Framework.¹⁰ Agencies are consequently encouraged to apply this method of assessment in upcoming reports.

Consultancy contracts and competitive tendering and contracting

1.29 The committee notes sections 6 and 7 of the Requirements for Annual Reports, which require agencies to provide specific details about consultancy contracts and any competitive tendering and contracting undertaken.¹¹ The committee reminds agencies that the method of presentation for this information is specified quite explicitly in the Requirements for Annual Reports. While the majority of agencies did provide varying degrees of information on these matters, the information was often not consolidated and was difficult to locate. Consequently, the committee emphasises

10 *Commonwealth Authorities and Companies (Report of Operations) Orders 2005*, s. 18. This Guide can be accessed on the Commonwealth Disability Strategy website at <http://www.facs.gov.au/cds>.

11 Department of Prime Minister and Cabinet, *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, June 2005, pp 11-13 and 26-29.

that as a matter of best practice, CAC Act bodies should comply with the Requirements for Annual Reports, and provide all relevant detail in accordance with the required proforma. Further, the committee suggests that all agencies list consultancy and contract services in the compliance index or at the very least in the alphabetical index of their annual reports.

1.30 Further comment regarding compliance with statutory reporting guidelines is included in Chapter 2, and relates to the annual reports of the following bodies:

- Australian Fisheries Management Authority (AFMA);
- Australian Pesticides and Veterinary Medicines Authority (APVMA);
- Civil Aviation Safety Authority (CASA);
- Cotton Research and Development Corporation (CRDC);
- Fisheries Research and Development Corporation (FRDC);
- Forest and Wood Products Research and Development Corporation (FWPRDC);
- Grains Research and Development Corporation (GRDC);
- Grape and Wine Research and Development Corporation (GWRDC);
- Land and Water Australia (LWA);
- Rural Industries Research and Development Corporation (RIRDC);
- Sugar Research and Development Corporation (SRDC);
- Wheat Export Authority (WEA);
- Australian Rail Track Corporation (ARTC);
- Maritime Industry Finance Company Ltd (MIFCo);
- Dairy Adjustment Authority (DAA); and
- National Capital Authority (NCA).

Senate remarks on annual reports

1.31 In accordance with Senate Standing Order 25(20)(d), the committee is required to take into account remarks made in the Senate which are relevant to the annual reports under consideration.

1.32 While no substantive debate on annual reports within the committee's portfolios took place in the Senate, Senator O'Brien lodged a number of written Questions on Notice regarding CASA's *Annual Report 2005-06*.

Comment on significant matters

1.33 Finally, Senate Standing Order 25(20)(g) directs the committee to comment on significant matters raised in annual reports relating to the operations and

performance of reporting bodies. The committee has considered the annual reports of the following agencies in Chapter 2:

- Australian Fisheries Management Authority (AFMA); and
- Civil Aviation and Safety Authority (CASA).

Chapter 2

Annual Reports

2.1 The committee considered all of the following reports to be 'apparently satisfactory'. Comments are made to indicate where improved compliance with legislative reporting requirements is expected.

Commonwealth authorities

Australian Fisheries Management Authority

Comments

2.2 The committee reminds AFMA that certain details of directors must be provided in the annual report, including the qualifications of each director and whether the director is executive or non-executive.

2.3 The committee also notes that under paragraph 4(1)(d) of the CAC Orders, certification of the report must also include a statement that directors are responsible for the preparation and content of the report of operations under section 9 of the CAC Act. AFMA is encouraged to include such a statement in its letter of transmittal in future reports.

2.4 These are, however, very minor discrepancies, and the committee commends AFMA for its consistently outstanding reporting performance.

Operations and Performance

2.5 In November 2005 the Australian Government launched the \$220 million *Securing Our Fishing Future* package. As part of this initiative, on 16 December 2005, the Minister for Fisheries, Forestry and Conservation issued AFMA with a ministerial direction under section 91 of the *Fisheries Administration Act 1991*. The direction required AFMA to

...accelerate our programs aimed at ending overfishing, re-building overfished stocks and minimising fishing impacts on the marine environment in Commonwealth fisheries.¹

2.6 The committee notes that AFMA has comprehensively reported its progress in implementing the ministerial direction in an appendix to the report. Some of the key measures undertaken in response to the ministerial direction include:²

1 Australian Fisheries Management Authority, *Annual Report 05/06*, p. 6.

2 Australian Fisheries Management Authority, *Annual Report 05/06*, pp 4-30.

-
- the completion of Ecological Risk Assessments for all major Commonwealth fisheries;
 - the development and preparation of a Harvest Strategy Framework across all Commonwealth fisheries. This will clearly state the rules and processes for the creation of management measures; and
 - the introduction or reduction of total allowable catches for a number of overfished stocks.

2.7 AFMA was also granted additional funding to continue its work combating illegal foreign fishing. This facilitated the opening of a new base for foreign compliance operations in Darwin, which will eventually house up to 50 staff.³

Australian Pesticides and Veterinary Medicines Authority

2.8 The committee observes that in its enabling legislation, APVMA is defined as a statutory agency for the purposes of the *Public Service Act 1999*. Consequently, under section 311A of the *Commonwealth Electoral Act 1918*, APVMA is required to report on any amounts paid to any advertising, market research, or any related agencies during the financial year. The committee reminds APVMA that if it has nothing to report against this requirement, it should clearly indicate this with a nil entry.

Civil Aviation Safety Authority

Comments

2.9 The committee notes that in addition to the obligation to report any ministerial directions issued to the authority under paragraph 12(1)(a) of the CAC Orders and sections 12 and 49 of the *Civil Aviation Act 1988*, CASA is also required to report on any general policies of the government notified by the minister under paragraph 12(1)(b) of the CAC Orders. The committee encourages CASA to report on this requirement in future reports, and reminds CASA that if it has nothing to report against this obligation, this should be indicated by a nil entry.

2.10 The committee considers this a minor divergence from the reporting requirements and commends CASA on an otherwise exemplary annual report.

Operations and Performance

2.11 CASA underwent significant change during 2005-2006, with the implementation of a new organisational structure on 1 July 2005, in order to align CASA more closely with the operations of the aviation industry. Consequently, a

3 Australian Fisheries Management Authority, *Annual Report 05/06*, pp 4-8.

number of changes in senior management also took place. The restructure included the relocation of operational headquarters to Brisbane.⁴

2.12 CASA continued to implement structural change during the financial year, with the creation of the following new offices:

- Industry Complaints Commissioner. This office was established in February 2006 in an effort to ensure consistency of regulatory decision making and reduce the trend of industry complaints.⁵
- Planning and Governance Office. Established in November 2005 to consolidate strategic roles within CASA and to facilitate effective coordination of working groups.⁶

2.13 On 1 January 2006, CASA introduced the first phase of its cost-recovery program, which will be implemented over three years to bring CASA in line with the Australian Government's formal cost-recovery policy. The fee structure is designed to charge realistic fees which reflect the costs incurred by CASA and will result in a sustainable funding model for the authority. CASA notes that in response to feedback regarding the new fee structure, certain reforms will be implemented in Phase 2, which was due to be implemented from 1 July 2007.⁷

Cotton Research and Development Corporation

2.14 The committee compliments the CRDC on a generally well constructed report. The committee particularly appreciated the CRDC's clear and readily understandable method of recording its performance against objectives. In addition, the CRDC addressed factors, trends or events affecting their performance, risks and opportunities the authority faced, and the strategies adopted to manage these, very well.

Fisheries Research and Development Corporation

2.15 The committee encountered some difficulty in ascertaining the FRDC's compliance with various obligations under its enabling legislation and the CAC Orders, as a number of reporting requirements were not included in either the compliance or alphabetical indices. In particular, the committee found it difficult to determine if the FRDC had addressed reporting requirements under its enabling legislation, the *Primary Industries and Energy Research and Development Act 1989* (PIERD Act), regarding its activities involving patents and details of any significant

4 Civil Aviation Safety Authority, *Annual Report 2005-06*, pp 6 and 55.

5 Civil Aviation Safety Authority, *Annual Report 2005-06*, pp 48 and 55.

6 Civil Aviation Safety Authority, *Annual Report 2005-06*, pp 47 and 55.

7 Civil Aviation Safety Authority, *Annual Report 2005-06*, p. 99.

acquisitions or dispositions of real property by the FRDC during the financial year.⁸ The committee encourages the FRDC to include a more comprehensive compliance index in upcoming reports.

2.16 The committee also notes that readers of the annual report are again referred to the FRDC's website for details relating to the responsibilities of the FRDC's board committees. The committee encourages the FRDC to include this information in the body of its report in the future, as required under section 15 of the CAC Orders.

Forest and Wood Products Research and Development Corporation

2.17 The committee is disappointed that despite comments in its report *Annual reports (No. 2 of 2006)*, the FWPRDC has again failed to include a compliance index or an alphabetical index.⁹ The committee calls the FWPRDC's attention to subsection 6(1) of the CAC Orders which quite clearly states that reports 'must be constructed having regard to the interests of users', and expects that the FWPRDC will include appropriate aids to access in upcoming annual reports.

2.18 Due to the absence of any form of index, the committee found it considerably difficult to assess whether the FWPRDC had satisfied its reporting requirements under both the CAC Orders and its enabling legislation, the PIERD Act. In particular, the committee was unable to locate information in FWPRDC's annual report regarding any significant acquisitions or dispositions of real property during the financial year, or details of any interest it holds in companies, information which the FWPRDC is required to include in its annual report under the PIERD Act.¹⁰

Grains Research and Development Corporation

2.19 The committee is pleased to note that the GRDC has included a corporate governance statement in the body of its *Annual Report 2005-2006*, as recommended in the committee's report *Annual reports (No. 2 of 2006)*.¹¹

2.20 However, the committee observes that readers are still referred to the GRDC website for details regarding FOI Act reporting obligations. The committee reminds the GRDC that information required under subsection 8(1) of the FOI Act must be included in the body of GRDC's annual report, and expects that the GRDC will comply with this requirement in future reports.

8 *Primary Industries and Energy Research and Development Act 1989*, subpara. 28(1)(a)(v) and (viii).

9 Senate Rural and Regional Affairs and Transport Committee, *Annual reports (No. 2 of 2006)*, September 2006, p. 12.

10 *Primary Industries and Energy Research and Development Act 1989*, subpara. 28(1)(a)(vii)-(viii).

11 Senate Rural and Regional Affairs and Transport Committee, *Annual reports (No. 2 of 2006)*, September 2006, p. 12.

Grape and Wine Research and Development Corporation

2.21 The committee again noticed that the compliance index in this report was not comprehensive, and due to the absence of an alphabetical index, the committee encountered some difficulty in ascertaining whether the GWRDC had complied with all relevant statutory reporting requirements.

2.22 The committee notes that while a page reference regarding judicial decisions and reviews by outside bodies was included in the compliance index, no information relating to these matters could be identified in the body of the report.

2.23 The committee is disappointed that despite concerns raised in the report *Annual reports (No. 2 of 2006)*, the GWRDC has not attempted to demonstrate its compliance with sections of the PIERD Act requiring information on the GWRDC's activities involving patents or any interest it may hold in companies.¹²

Land and Water Australia

2.24 The committee noted with some interest that entries in the LWA's compliance index refer to a table which sets out the authority's compliance with government statutes and policies. While this table is useful, it does not detail the activities the LWA has undertaken to adhere to the relevant legislation. The committee reminds the LWA that in its annual report, the authority is required to record activities which demonstrate its compliance with legislative requirements. It is not satisfactory to simply state that the authority is compliant. The committee notes that the relevant information is included in the body of the report, but is not referenced in the compliance or alphabetical indices. The committee suggests that the LWA references legislative requirements appropriately in future reports.

2.25 The committee notes that the LWA records its achievements against outputs well, but considers that the LWA annual report would benefit from a chart which clearly defines and links statutory objectives, annual operational plan or corporate plan objectives, research and development objectives and outputs/outcomes.

Rural Industries Research and Development Corporation

2.26 The committee recognises the RIRDC's exemplary method of reporting against its corporate plan, and further commends the authority for certifying its compliance with the Commonwealth Fraud Control Guidelines.

2.27 The committee notes with interest that readers of the RIRDC annual report are referred to the authority's Employment Policy for details pertaining to RIRDC's compliance with OH&S Act requirements. The RIRDC is reminded that under

12 Senate Rural and Regional Affairs and Transport Committee, *Annual Reports (No. 2 of 2006)*, September 2006, p. 13; *Primary Industries and Energy Research and Development Act 1989*, subpara. 28(1)(a)(vi)-(vii).

section 17 of the CAC Orders, and section 74 of the OH&S Act, the RIRDC is required to include this information in its annual report.

Sugar Research and Development Corporation

2.28 The committee suggests that in future reports, the SRDC record attendance at board meetings and attendance at board committee meetings separately, as the attendance of board committee members who are not directors of the board, is not recorded in the table currently provided.

Wheat Export Authority

2.29 The committee wishes to make it clear that comments made in this report relate solely to the quality and content of WEA's annual report, and should not be construed as being comments on the wider issues in which the WEA is involved.

2.30 The committee appreciates the WEA's method of tabulating results against outputs in a manner which is very easy to comprehend, and commends the WEA for clearly and specifically measuring the efficiency and effectiveness of the operations and strategies employed to achieve its outputs.

2.31 The committee found that while the WEA provided useful information on how the authority is responsible to the minister, no statement regarding any specific directions issued by the minister was apparent in the annual report. The WEA is reminded that under section 12 of the CAC Orders, it is required to include this information in its report. If the WEA has nothing to report under this requirement this should be indicated with a nil entry.

2.32 The committee also notes that in the WEA's letter of transmittal, the statement that directors are responsible for the preparation and content of the report of operations, is made under section 48 of the CAC Act as opposed to section 9 as required under paragraph 4(1)(d) of the CAC Orders.

Commonwealth companies

Australian Rail Track Corporation

2.33 The committee restates that it considers the ARTC annual report would benefit from a more comprehensive alphabetical index. The inclusion of a compliance index would also be useful.

2.34 The committee is disappointed that despite comments made in its report *Annual reports (No. 2 of 2006)*, the ARTC again omitted to include information in its annual report regarding any events since the end of the financial year which may affect the corporation's operations, or regarding any legal proceedings on behalf of the

company.¹³ The ARTC is reminded that it is obliged to report on this information under the *Corporations Act 2001*.¹⁴

2.35 The ARTC's attention is again drawn to the document *Printing standards for documents presented to Parliament*, which quite explicitly states that all documents that are to be presented to Parliament must be printed in international B5 size.¹⁵ The ARTC's *Annual Report 2006* was again an A4 size document. It is the committee's expectation that the ARTC will apply these printing standards when producing upcoming reports.

Maritime Industry Finance Company Limited

2.36 The committee notes that MIFCo again failed to specifically report on any environmental reporting requirements it is subject to, or any legal proceedings on behalf of the company, despite the fact that this information is required under the *Corporations Act 2001*.¹⁶ MIFCo is reminded that if these requirements do not apply to their operations, this should be indicated in the report.

Prescribed agencies

Dairy Adjustment Authority

2.37 The committee reaffirms its consideration that the DAA annual report would benefit from a compliance index and a more comprehensive alphabetical index.

2.38 The committee is disappointed that despite comments made in its report *Annual reports (No. 2 of 2006)*, the DAA has not fully demonstrated its compliance with the Requirements for Annual Reports. In particular, the committee is concerned that the DAA has again failed to provide a summary table of resources by outcomes, and has not presented information regarding consultancies in accordance with the mandatory proforma. As a prescribed agency under the FMA Act, the DAA is subject to the Requirements for Annual Reports, and the checklist provided in Attachment F to those requirements. The committee expects that the DAA will carefully consider and incorporate these requirements when compiling upcoming reports.

2.39 The committee commends the DAA for appropriately certifying its compliance with the Commonwealth Fraud Control Guidelines.

13 Senate Rural and Regional Affairs and Transport Committee, *Annual reports (No. 2 of 2006)*, September 2006, p. 14.

14 *Corporations Act 2001*, ss. (299(1)(d) and 300(14)-(15).

15 This document can be accessed at http://www.aph.gov.au/house/committee/publ/printing_standards.htm

16 *Corporations Act 2001*, ss. 299(1)(f) and 300(14)-(15).

National Capital Authority

2.40 The committee compliments the NCA on its consistently high reporting standard. The outcome/output structure was again presented in an easily comprehensible manner, and performance indicators were clearly tabulated. The NCA's reporting against a number of statutory guidelines under the Requirements for Annual Reports is exemplary, including its presentation of information on: total resources used by outcomes, consultancy and contract services let, and amounts paid to advertising, market research, or related agencies during the financial year.

2.41 The committee is disappointed however, that notwithstanding comments made in the committee's report *Annual reports (No. 2 of 2006)*, the NCA did not discuss its performance against its Customer Service Charter and did not appear to include any certification of its compliance with the Commonwealth Fraud Control Guidelines.¹⁷ These are both mandatory reporting obligations under the Requirements for Annual Reports, and the committee expects that the NCA will address these requirements in upcoming annual reports.¹⁸

2.42 The committee is particularly pleased to note that the NCA has included a reference for discretionary grants in its compliance index as recommended in the report *Annual reports (No. 2 of 2006)*.¹⁹ However, a number of legislative obligations as listed in Attachment F to the Requirements for Annual Reports were still not included in the compliance index. The committee encourages the NCA to take this checklist into consideration when compiling its alphabetical and compliance indices in the future.

Senator the Hon. Bill Heffernan
Chair

17 Senate Rural and Regional Affairs and Transport Committee, *Annual reports (No. 2 of 2006)*, September 2006, p. 15.

18 Department of Prime Minister and Cabinet, *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, June 2005, pp 7-8.

19 Senate Rural and Regional Affairs and Transport Committee, *Annual reports (No. 2 of 2006)*, September 2006, p. 15.

Appendix 1

List of annual reports referred to the committee during the period 1 November 2006 to 30 April 2007

Department of Agriculture, Fisheries and Forestry

	Legislation	Letter of transmittal date	Date Sent to Minister	Date received by Minister	Tabling date*
<i>Statutory authorities</i>					
Australian Fisheries Management Authority— Report for 2005-06	<i>Fisheries Administration Act 1991</i> <i>CAC Act 1997</i>	10/10/06	31/10/06	31/10/06	08/11/06
Australian Pesticides and Veterinary Medicines Authority— Report for 2005-06	<i>Agricultural and Veterinary Chemicals (Administration) Act 1992</i> <i>CAC Act 1997</i>	26/09/06	19/10/06	19/10/06	08/11/06
Cotton Research and Development Corporation— Report for 2005-06	<i>PIERD Act 1989</i> <i>CAC Act 1997</i>	09/10/06	31/10/06	31/10/06	07/11/06
Fisheries Research and Development Corporation— Report for 2005-06	<i>PIERD Act 1989</i> <i>CAC Act 1997</i>	13/10/06	31/10/06	31/10/06	07/11/06
Forest and Wood Products Research and Development Corporation— Report for 2005-06	<i>PIERD Act 1989</i> <i>CAC Act 1997</i>	15/08/06	25/10/06	25/10/06	07/11/06
Grains Research and Development Corporation— Report for 2005-06	<i>PIERD Act 1989</i> <i>CAC Act 1997</i>	13/10/06	27/10/06	27/10/06	07/11/06
Grape and Wine Research and Development Corporation— Report for 2005-06	<i>PIERD Act 1989</i> <i>CAC Act 1997</i>	04/09/06	24/10/06	24/10/06	07/11/06

	Legislation	Letter of transmittal date	Date Sent to Minister	Date received by Minister	Tabling date*
Land and Water Resources Research and Development Corporation (Land and Water Australia) —Report for 2005-06	<i>PIERD Act 1989</i> <i>CAC Act 1997</i>	12/10/06	31/10/06	31/10/06	07/11/06
Rural Industries Research and Development Corporation—Report for 2005-06	<i>PIERD Act 1989</i> <i>CAC Act 1997</i>	30/09/06	31/10/06	31/10/06	07/11/06
Sugar Research and Development Corporation—Report for 2005-06	<i>PIERD Act 1989</i> <i>CAC Act 1997</i>	28/09/06	19/10/06	19/10/06	07/11/06
Wheat Export Authority—Report for 2005-06	<i>CAC Act 1997</i> <i>Wheat Marketing Act 1989</i>	15/01/07	31/01/07	31/01/07	27/02/07
<i>Prescribed Agencies</i>					
Dairy Adjustment Authority—Report for 2005-06	<i>Dairy Produce Act 1986</i> <i>FMA Act 1997</i>	23/08/06	31/10/06	31/10/06	07/11/06
<i>Other</i>					
Australian Landcare Council—Report for 2005-06	<i>Natural Resources Management (Financial Assistance) Act 1992 (ss.27(1)&(2))</i>	05/09/06	04/10/06	04/10/06	07/11/06
<i>Australian Meat and Live-stock Industry Act 1997</i> -Report to Parliament on Live-stock Mortalities for Exports by Sea for the Reporting Period 1 July 2006 to 31 December 2006	<i>Australian Meat and Live-stock Industry Act 1997</i>	n/a	06/02/07	06/02/07	27/02/07
Dairy Australia Limited—Report for 2005-06	<i>Dairy Produce Act 1986</i> <i>Corporations Act 2001</i>	25/10/06	20/11/06	20/11/06	06/02/07

	Legislation	Letter of transmittal date	Date Sent to Minister	Date received by Minister	Tabling date*
<i>Dairy Produce Act 1986</i> —Funding contract with Dairy Australia Ltd—Report for 2005-06	<i>Dairy Produce Act 1986</i>	26/02/07	20/02/07	20/02/07	21/03/07
Murray-Darling Basin Commission—Report for 2005-06	<i>Murray-Darling Basin Act 1993</i>	29/09/06	10/10/06	18/10/06	07/11/06
National Rural Advisory Council—Report for 2005-06	<i>Rural Adjustment Act 1992</i>	18/10/06	26/10/06	26/10/06	07/11/06
Torres Strait Protected Zone Joint Authority—Report for 2003-04	<i>Torres Strait Fisheries Act 1984</i>	n/a			06/02/07* (received 22/12/06)
Torres Strait Protected Zone Joint Authority—Report for 2004-05	<i>Torres Strait Fisheries Act 1984</i>	n/a			06/02/07* (received 22/12/06)

* An asterisk denotes reports presented to the President out-of-session.

Department of Transport and Regional Services

	Legislation	Letter of transmittal date	Date Sent to Minister	Date received by Minister	Tabling date*
<i>Statutory authorities</i>					
Civil Aviation Safety Authority—Report for 2005-06	<i>Civil Aviation Act 1988</i> <i>CAC Act 1997</i>	31/10/06	27/10/06	27/10/06	07/11/06
<i>Companies</i>					
Australian Rail Track Corporation Ltd—Report for 2005-06	<i>Corporations Act 2001</i>	n/a	10/10/06	12/10/06	07/11/06
Maritime Industry Finance Company Ltd—Report for 2005-06	<i>Corporations Act 2001</i> <i>CAC Act</i>	02/11/06			06/02/07* (received 19/12/06)
<i>Prescribed Agencies</i>					
National Capital Authority—Report for 2005-06	<i>ACT (Planning and Land Management) Act 1988</i> <i>FMA Act 1997</i>	27/11/06	16/11/06	16/11/06	06/12/06
<i>Other</i>					
Airservices Australia – Corporate Plan July 2006 – June 2011	<i>Air Services Act 1995</i> <i>CAC Act 1997</i>	26/04/06			06/02/07* (received 10/01/07)
Airservices Australia National Equity and Diversity Program - Progress Report 2005-2006	<i>Equal Employment Opportunity (Commonwealth Authorities) Act 1987</i>		29/09/06	30/09/06	07/11/06
<i>Sydney Airport Demand Management Act 1997</i> —quarterly report on the maximum movement limit for the period 1 July to 30 September 2006	<i>Sydney Airport Demand Management Act 1997</i>	26/10/06	27/10/06	27/10/06	06/12/06

	Legislation	Letter of transmittal date	Date Sent to Minister	Date received by Minister	Tabling date*
<i>Sydney Airport Demand Management Act 1997</i> —quarterly report on the maximum movement limit for the period 1 October to 31 December 2006	<i>Sydney Airport Demand Management Act 1997</i>	31/01/07	05/02/07	05/02/07	27/03/07

* An asterisk denotes reports presented to the President out-of-session.

