

The Senate

Standing Committee on
Rural and Regional Affairs
and Transport

Annual reports (No. 1 of 2009)

March 2009

© Commonwealth of Australia

ISBN 978-1-74229-054-6

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

Membership of the Committee

Members

Senator Glenn Sterle	ALP, Western Australia	Chair
Senator Christine Milne	AG, Tasmania	Deputy Chair
Senator Don Farrell	ALP, South Australia	
Senator the Hon. Bill Heffernan	LP, New South Wales	
Senator Steve Hutchins	ALP, New South Wales	
Senator Julian McGauran	LP, Victoria	
Senator Kerry O'Brien	ALP, Tasmania	
Senator John Williams	NPA, New South Wales	

Participating Members

Senator Abetz	Senator Cameron	Senator Forshaw	Senator McLucas
Senator Adams	Senator Cash	Senator Furner	Senator Minchin
Senator Arbib	Senator Colbeck	Senator Hanson-	Senator Moore
Senator Barnett	Senator Collins	Young	Senator Parry
Senator Bernardi	Senator Coonan	Senator Humphries	Senator Payne
Senator Bilyk	Senator Cormann	Senator Hurley	Senator Polley
Senator	Senator Crossin	Senator Johnston	Senator Pratt
Birmingham	Senator Eggleston	Senator Joyce	Senator Ronaldson
Senator Bishop	Senator Farrell	Senator Kroger	Senator Ryan
Senator Boswell	Senator Feeney	Senator Ludlam	Senator Scullion
Senator Boyce	Senator Fielding	Senator Lundy	Senator Siewert
Senator Brandis	Senator	Senator Macdonald	Senator Stephens
Senator B Brown	Fierravanti-Wells	Senator Marshall	Senator Troeth
Senator C Brown	Senator Fifield	Senator Mason	Senator Trood
Senator Bushby	Senator Fisher	Senator McEwen	Senator Wortley
			Senator Xenophon

Committee Secretariat

Ms Jeanette Radcliffe, Secretary
Ms Jenene James, 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	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.....	4
Comments on reports.....	5
Senate remarks on annual reports.....	9
Comment on significant matters.....	10
Chapter 2	11
Annual reports of departments	11
Department of Infrastructure, Transport, Regional Development and Local Government	11
Chapter 3	19
Annual reports of agencies	19
Agriculture, Fisheries and Forestry portfolio	19
Infrastructure, Transport, Regional Development and Local Government portfolio	24
Appendix 1	29
List of annual reports referred to the committee during the period 1 May 2008 to 31 October 2008.....	29
Agriculture, Fisheries and Forestry portfolio	29
Infrastructure, Transport, Regional Development and Local Government portfolio	31

Appendix 2	33
List of annual reports tabled after 31 October 2008.....	33
Agriculture, Fisheries and Forestry portfolio	33
Infrastructure, Transport, Regional Development and Local Government portfolio	36

List of Abbreviations

AFMA	Australian Fisheries Management Authority
AMC	Australian Maritime College
AMSA	Australian Maritime Safety Authority
ANAO	Australian National Audit Office
APMS	AusLink Program Management System
ARTC	Australian Rail Track Corporation
ATSB	Australian Transport Safety Bureau
BITRE	Bureau of Infrastructure, Transport and Regional Economics
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
CCRSPI	Climate Change Research Strategy for Primary Industries
DAA	Dairy Adjustment Authority
DAFF	Department of Agriculture, Fisheries and Forestry
DOTARS	Department of Transport and Regional Services
EPBC Act	<i>Environment Protection and Biodiversity Conservation Act 1999</i>
ETD	Explosive Trace Detection
EWC	Export Wheat Commission
FMA Act	<i>Financial Management and Accountability Act 1997</i>
FOI Act	<i>Freedom of Information Act 1982</i>
GRDC	Grains Research and Development Corporation
GWRDC	Grape and Wine Research and Development Corporation
Infrastructure	Department of Infrastructure, Transport, Regional Development and Local Government
ITSAP	Indonesia Transport Safety Assistance Package
LWA	Land and Water Australia
OH&S Act	<i>Occupational Health & Safety (Commonwealth Employment) Act 1991</i>

PAES	Portfolio Additional Estimates Statements
PBS	Portfolio Budget Statements
PIERD Act	<i>Primary Industries and Energy Research and Development Act 1989</i>
R&D	Research and Development
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
RPP	Regional Partnerships Program
Strategy	Commonwealth Disability Strategy
Uhrig review	<i>Review of the corporate governance of statutory authorities and office holders</i>
WEA	Wheat Export Authority (until 30 September 2007)
WEC	Wheat Export Charge

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
- Infrastructure, Transport, Regional Development and Local Government.

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 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: the *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 2008 and approved by the Joint Committee of Public Accounts and Audit on 18 June 2008;
- 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* (CAC Orders); 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 the committee 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 12 March 2009. The committee is also required to report on annual reports tabled by 30 April each year by the tenth sitting day after 30 June of that year.

1.6 This report considers annual reports which were tabled in the Senate or presented to the President of the Senate between 1 May 2008 and 31 October 2008.

1.7 The committee examined nine annual reports of agencies within the Agriculture, Fisheries and Forestry portfolio and five annual reports of agencies within the Infrastructure, Transport, Regional Development and Local Government portfolio, as follows:

- Grains Research and Development Corporation—Report for 2007-08;

-
- Grape and Wine Research and Development Corporation—Report for 2007-08;
 - Land and Water Australia—Report for 2007-08;
 - Rural Industries Research and Development Corporation—Report for 2007-08;
 - Wheat Export Authority—Report for 2006-07;
 - Dairy Adjustment Authority—Report for 2007-08;
 - Australian Landcare Council—Report for 2006-07;
 - Australian Livestock Export Corporation (LiveCorp)—Report for 2006-07;
 - Torres Strait Protected Zone Joint Authority—Report for 2005-06;
 - Department of Infrastructure, Transport, Regional Development and Local Government—Report for 2007-08;
 - Airservices Australia—Report for 2007-08;
 - Australian Maritime College—Report for 2007;
 - Australian Maritime Safety Authority—Report for 2007-08; and
 - International Air Services Commission—Report for 2007-08.

1.8 A complete list of reports referred to the committee (including those not examined) appears at Appendix 1.

Reports not examined

1.9 The committee is not obliged to report on Acts, statements of corporate intent, surveys, corporate plans or errata. The following 11 documents were referred to the committee but have not been examined:

- Fisheries Research and Development Corporation—Report for 2006-07—Correction;
- *Australian Meat and Live-stock Industry Act 1997*—Report to Parliament on Live-stock Mortalities for Exports by Sea for the Reporting Period 1 January to 30 June 2008;
- Dairy Australia: Delivering for the dairy industry—Report for 2006-07;
- Dairy Produce Act 1986—Funding contract with Dairy Australia Ltd—Report for 2006-07;
- National Residue Survey—Report for 2007-08;
- Airservices Australia—Corporate Plan July 2007-2012;
- Airservices Australia—National Equity and Diversity Program—Progress Report 2006-07;
- AusLink—Report for 2006-07;

- Civil Aviation Safety Authority—Corporate Plan 2007-08 to 2009-10;
- *Sydney Airport Demand Management Act 1997*—quarterly report on the maximum movement limit for the period 1 October to 31 December 2007; and
- *Sydney Airport Demand Management Act 1997*—quarterly report on the maximum movement limit for the period 1 January to 31 March 2008.

Timeliness

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

1.11 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.

1.12 A number of annual reports were tabled in the Senate after the appropriate deadlines, beyond the date that they may be considered in this report. Annual reports which were tabled late will be examined in the committee's next report on annual reports. A list of those reports appears at Appendix 2.

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. The committee has previously highlighted the failure of the WEA to meet its annual reporting deadline.⁴ In its previous report, the committee expressed disappointment that the WEA had once again failed to meet this deadline for its 2006-07 annual report.⁵ As WEA's 2006-07 report was not tabled until 13 May 2008, after the deadline for the committee's *Annual reports (No. 2 of 2008)* it will be examined in this report.

1.14 Although not subject to the timeframes in the CAC Act or the *Financial Management and Accountability Act 1997* (FMA Act), the committee notes a substantial delay in the tabling of the Torres Strait Protected Zone Joint Authority

2 Department of Prime Minister and Cabinet, *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, June 2008, p. 1 (section 4).

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

4 Senate Rural and Regional Affairs and Transport Committee, *Annual reports (No. 2 of 2006)*, p. 4; and *Annual reports (No. 2 of 2007)*, p. 4.

5 Senate Standing Committee on Rural and Regional Affairs and Transport, *Annual reports (No. 2 of 2008)*, November 2008, pp 4–5.

Report for 2005-06, and expects that the authority will meet required deadlines in future.

1.15 The committee also notes significant delays in the tabling of the following reports:

- Australian Landcare Council—Report for 2006-2007; and
- Australian Livestock Export Corporation Limited (LiveCorp)—Report for 2006-07.

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

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: Indexes

Alphabetical indexes

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

6 Department of Prime Minister and Cabinet, *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, June 2008, p. 1 (section 4).

7 Department of Prime Minister and Cabinet, *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, June 2008, pp 4 and 16.

Compliance indexes

1.20 As mentioned in the committee's previous reports on annual reports, although compliance indexes are no longer mandatory, the committee recommends their inclusion in annual reports.⁸ Compliance indexes 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 indexes were more useful than others. Unfortunately, many compliance indexes did not address all of the reporting requirements and, in some cases, the page references given in the compliance indexes were incorrect or too broad to be useful.

1.22 The committee commends those agencies which included compliance indexes for each piece of legislation they are required to report under, and notes that the compliance index of the Rural Industries Research and Development Corporation (RIRDC) was exemplary. Further, the committee is pleased that a number of agencies have now adopted the recommended practice of including a nil, n/a or "-" entry where the body has nothing to report under an item.

1.23 The committee is disappointed that despite comments made in its previous reports, the AMC and the Dairy Adjustment Authority (DAA) again failed to include compliance indexes in their annual reports.⁹ Consequently the committee found it difficult to determine whether these reports complied with a number of relevant requirements. The committee is also disappointed to note that Land and Water Australia's 2007-08 annual report no longer includes a compliance index.

Report on performance

1.24 The committee considers that most annual reports would benefit from an explanation (textual or visual) which clearly defines and links, where applicable, statutory objectives, annual operational plan or corporate plan objectives, research and development objectives and outputs/outcomes. This would assist in demonstrating how agencies have performed in relation to each of these requirements, as required under the CAC Orders, and whether they have achieved their objectives.¹⁰

8 Senate Rural and Regional Affairs and Transport Committee, *Annual reports (No. 1 of 2006)*, p. 4; *Annual reports (No. 2 of 2006)*, p. 5; *Annual reports (No. 1 of 2007)*, p. 5; *Annual reports (No. 2 of 2007)*, p. 5; *Annual reports (No. 1 of 2008)*, p. 5; and *Annual reports (No. 2 of 2008)*, p. 6.

9 Senate Rural and Regional Affairs and Transport Committee, *Annual reports (No. 1 of 2006)*, p. 4; *Annual reports (No. 2 of 2006)*, p. 5; *Annual reports (No. 1 of 2007)*, p. 6; *Annual reports (No. 2 of 2007)*, p. 6; and *Annual reports (No. 1 of 2008)*, p. 6.

10 *Commonwealth Authorities and Companies (Report of Operations) Orders 2005*, para. 10(1)(a).

Legislative requirements for Commonwealth authorities

1.25 The committee draws attention to section 17 of the CAC Orders which notes that the annual reports of Commonwealth authorities must include certain matters required by the relevant sections of the following legislation:¹¹

- *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.

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

1.27 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 report. While the AMC did not appear to address its responsibilities under the EPBC Act at all, several agencies failed to include information required under paragraphs 516(6)(c) and (e) of the EPBC Act. The committee encourages agencies to address these requirements in more detail in future.

1.28 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 a number of bodies omitted to provide information on arrangements that exist for others to participate in the agency's policy formulation process. The committee notes that Airservices Australia addressed its FOI requirements comprehensively.

1.29 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 Australian Maritime Safety Authority (AMSA) and the RIRDC annual reports provide good examples of how this requirement should be addressed.

Commonwealth Disability Strategy

1.30 Under section 18 of the CAC Orders, an assessment of an authority's performance in implementing the Commonwealth Disability Strategy (the Strategy) must be provided in accordance with the terms set out in the Guide to the Performance Reporting Framework.¹² The committee again observed significant variation in the level of detail provided regarding compliance with the Strategy. The committee

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

12 *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> .

strongly encourages agencies to assess compliance in accordance with the recommended guide in future reports.

1.31 The committee is disappointed that the AMC has consistently failed to provide an assessment of its implementation of the strategy.

Consultancy contracts and competitive tendering and contracting

1.32 The committee notes that under the Requirements for Annual Reports, agencies are required to provide information about consultancy contracts and any competitive tendering and contracting undertaken.¹³ The committee reminds agencies that the method of presentation for this information is specified in detail in the Requirements for Annual Reports. While a majority of agencies provided some basic information about consultancies, most of it was not in the required format and did not provide an adequate level of detail. In several annual reports, however, the committee was unable to locate any information about consultancies.

1.33 Consequently, the committee emphasises 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.

1.34 The committee commends the Department of Infrastructure, Transport, Regional Development and Local Government (Infrastructure) for fully complying with this requirement and providing information on consultancy services in accordance with the mandatory proforma.

Fraud Control Certification

1.35 While most agencies provided varying degrees of information about their fraud control plans, the committee draws attention to the *Commonwealth Fraud Control Guidelines 2002*. Under these guidelines:

CEOs of agencies covered by the Commonwealth Fraud Control Guidelines are to certify to their Minister or Presiding Officer in their agency's annual report that they are satisfied that their agency has prepared fraud risk assessments and fraud control plans, and has in place appropriate fraud prevention, detection, investigation, reporting and data collection procedures and processes that meet the specific needs of the agency and comply with the Guidelines.¹⁴

13 Department of Prime Minister and Cabinet, *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, June 2008, pp 10–12 and 25–28.

14 Attorney-General's Department, *Commonwealth Fraud Control Guidelines 2002*, May 2002, p. 2. See also Department of Prime Minister and Cabinet, *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, June 2008, p. 7.

1.36 The committee encourages agency heads to make a specific certification in keeping with the guidelines. The committee highlights the Infrastructure, AMC, and DAA annual reports as examples of how to fully comply with this requirement.

Consistency of reporting documents

1.37 The committee also took account of the Senate Finance and Public Administration Committee report, *Transparency and accountability of Commonwealth public funding and expenditure*, in its examination of annual reports. The committee took particular note of the following comment:

It would be useful therefore if Legislative and General Purpose Committees in their reports on annual reports checked that the reports accurately reflect the performance indicators in the PBSs and PAES. It would also be useful if they reported on comparisons of the final expenditure on outputs (or programs) with the estimates.¹⁵

1.38 The committee notes that in several cases, performance indicators differed between budget documents and agencies' annual reports. The committee also found that estimates expenditure figures in budget documents and actual expenditure figures in annual reports were often not easily comparable.

1.39 The committee encourages agencies to ensure that outcome/output information and performance indicators remain consistent between budget documents and annual reports. Further, where there is variation between these documents, the accountability process would be enhanced if both the former and the new performance information were provided, as well as the reasons for the revisions.

1.40 The committee notes that under the Requirements for Annual Reports the provision of such information is a mandatory requirement, and as a matter of best practice, CAC Act bodies should also provide this information.¹⁶ In addition, agencies are encouraged to provide information on expenditure by outcome/output in a form that is comparable with budget documentation.

1.41 The committee notes that Infrastructure has complied with this requirement particularly well. New or modified performance indicators since the 2007-08 Portfolio Budget Statements (PBS) are clearly identified in a table format at Appendix K of Infrastructure's annual report.

Senate remarks on annual reports

1.42 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

15 Senate Standing Committee on Finance and Public Administration, *Transparency and accountability of Commonwealth public funding and expenditure*, March 2007, p. 64.

16 Department of Prime Minister and Cabinet, *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, June 2008, p. 5.

annual reports under consideration. No substantive debate on annual reports within the committee's portfolios took place in the Senate.

1.43 During the supplementary budget estimates hearings on 20 and 21 October 2008, Senator McGauran raised concerns that the departmental annual reports were not available to be examined before the hearings as the due date for tabling was 31 October.¹⁷

1.44 Senator Colbeck asked a question on notice at supplementary budget estimates in October 2008 about when the Minister signed off on DAFF's 2007-08 annual report.¹⁸

Comment on significant matters

1.45 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.

1.46 In Chapter 2, the committee has considered the annual report of the Department of Infrastructure, Transport, Regional Development and Local Government.

1.47 In Chapter 3, the committee has considered the annual reports of the following agencies:

- 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);
- Wheat Export Authority (WEA);
- Dairy Adjustment Authority (DAA);
- Airservices Australia;
- Australian Maritime College (AMC); and
- Australian Maritime Safety Authority (AMSA).

17 Senate Standing Committee on Rural and Regional Affairs and Transport, Supplementary Budget Estimates, *Committee Hansard*, 20 October 2008, pp 4–6; and *Committee Hansard*, 21 October 2008, pp 11–12.

18 DAFF, Answer to question on notice MS 01, Supplementary Budget Estimates, 20 October 2008.

Chapter 2

Annual reports of departments

Department of Infrastructure, Transport, Regional Development and Local Government

2.1 The Department of Infrastructure, Transport, Regional Development and Local Government (Infrastructure) *Annual Report 2007-08* was prepared in accordance with section 63 of the *Public Service Act 1999* and other relevant legislation. The report was received by the Senate on 30 October 2008 and tabled on 10 November 2008.

2.2 The report is presented in accordance with the checklist of requirements stipulated in the Requirements for Annual Reports.

2.3 Infrastructure has provided a comprehensive review of its performance for 2007-08. The use of a table format to present information such as performance against outcomes, new or modified performance indicators, and reporting under the Commonwealth Disability Strategy was clear and easy to follow. The Infrastructure annual report also included a detailed and clearly presented compliance index.

2.4 As mentioned in the committee's *Annual reports (No. 1 of 2008)*, Infrastructure has provided information on the discretionary grants programs it administers, referring readers to its web pages for information about grant recipients, in line with the Requirements for Annual Reports.¹ While one of the internet links to this information was more direct than in the department's previous annual report, a number of other internet links were cumbersome and difficult to follow. In addition, no links were provided for some of the grants programs. The committee reminds Infrastructure that providing more direct internet links would facilitate access to this information.

2.5 The Infrastructure Annual Report for 2007-08 contains the following information:

- the secretary's yearly review highlighting the achievements of the department;
- a departmental overview outlining Infrastructure's operations and organisational structure;
- report on performance as measured against PBS performance indicators;

¹ Department of Prime Minister and Cabinet, *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, June 2008, p. 25.

- an overview of the department's management and accountability arrangements, including corporate governance practices, internal and external scrutiny, and human resource management; and
- appendices detailing financial statements, procurement practices, discretionary grants, compliance with the Commonwealth Disability Strategy, environmental performance, and performance indicators modified since the PBS.

Departmental overview

2.6 The secretary reported that 'following the change of government in November 2007, the then Department of Transport and Regional Services (DOTARS) was restructured, gained an additional outcome, and was renamed the Department of Infrastructure, Transport, Regional Development and Local Government'.²

2.7 The department was reorganised to reflect the priorities of the new government. Changes included:

- transferring responsibility for services to territories and natural disaster relief functions and the associated administered programs to the Attorney-General's Department;
- gaining responsibility for major projects facilitation from the former Department of Industry, Tourism and Resources; and
- assuming responsibility for the new role of infrastructure planning and coordination.³

2.8 The department was restructured in March 2008 to reflect the changes, and its revised outcome and output structure, including a new outcome focused on infrastructure, was published in the 2008-09 PBS.⁴

2.9 The committee also notes the following items of significance for Infrastructure during 2007-08:

- establishment of the statutory advisory council Infrastructure Australia, with a mandate to provide independent expert advice to governments on policy, regulation and investment options to improve Australia's national transport, water, energy and communications infrastructure;

2 Department of Infrastructure, Transport, Regional Development and Local Government, *Annual Report 2007-08*, p. 2.

3 Department of Infrastructure, Transport, Regional Development and Local Government, *Annual Report 2007-08*, pp 20, 22 and 215.

4 For details of the department's previous and current outcome and output structures, see Department of Infrastructure, Transport, Regional Development and Local Government, *Annual Report 2007-08*, pp 308–309.

- establishment of the Regional Development Australia Interim Board as part of implementing the transition from Area Consultative Committees to Regional Development Australia committees from 1 January 2009;
- establishment of the Office of Northern Australia in March 2008 to provide high-level policy advice to the government on sustainable development issues across Northern Australia;
- closure of the Regional Partnerships and Sustainable Regions programs to new applications;
- completion of the department's work as the lead agency on the Council of Australian Governments' trial of government service delivery arrangements with Indigenous communities in the East Kimberley region. Formal responsibility was transferred to the Department of Families, Housing, Community Services and Indigenous Affairs;
- release of the Australian Transport Safety Bureau's (ATSB) final report into the grounding of the bulk carrier *Pasha Bulker* at Newcastle in New South Wales;
- assistance from ATSB to the Indonesian National Transportation Safety Committee with several aviation investigations under the Indonesia Transport Safety Assistance Package (ITSAP);
- implementation of the first phase of new checked baggage screening measures including the use of explosive trace detection (ETD) equipment;
- release of an issues paper to begin the process of developing a national aviation policy;
- commencement of development of a single, national transport policy and associated regulatory reforms; and
- establishment of a Climate Change Taskforce within the department's Bureau of Infrastructure, Transport and Regional Economics (BITRE).⁵

2.10 Infrastructure reported an operating surplus of \$5.8 million for 2007-08, which placed the department in a strong position to manage its finances in a tighter fiscal environment.⁶

Report on performance

2.11 Infrastructure uses a rating scale to assess the achievement of programs against performance indicators from the 2007-08 PBS. The scale ranges from 'fully

5 Department of Infrastructure, Transport, Regional Development and Local Government, *Annual Report 2007-08*, pp 2-9 and 57.

6 Department of Infrastructure, Transport, Regional Development and Local Government, *Annual Report 2007-08*, p. 10.

achieved' to 'not achieved', and allows the reader to clearly assess the status and performance of programs.

2.12 Under Outcome 1, no programs were ranked as 'not achieved'. Four programs were only 'partially achieved':

- Whitehorse Road and Springvale Road intersection upgrade in Melbourne;⁷
- Management of residual issues of the former Australian National Railways Commission, including finalising of a records disposal authority for around 180,000 plans and drawings of rail rolling stock and infrastructure;⁸
- Construction of the Wodonga rail bypass;⁹ and
- Murray River Bridges-Federation Fund project to provide a crossing of the Murray River at Echuca-Moama. The committee notes that following the appointment of an independent facilitator by the Victorian government during 2007-08, a potential corridor was identified and agreed to in principle by the key stakeholders, including the Yorta Yorta Nation Aboriginal Corporation.¹⁰

2.13 Under Outcome 2, only one program, 'Fitting of seatbelts on regional school buses', was ranked as 'partially achieved'.¹¹

2.14 Under Outcome 3, 'Improving regional women's representation in decision making' was ranked as 'not achieved', as the government decided not to proceed with this program in December 2007.¹² The Regional Partnerships and Sustainable Regions programs were 'partially achieved' as the government decided to close both of these programs to new and uncontracted projects.¹³

7 Department of Infrastructure, Transport, Regional Development and Local Government, *Annual Report 2007-08*, p. 52.

8 Department of Infrastructure, Transport, Regional Development and Local Government, *Annual Report 2007-08*, pp 53–54.

9 Department of Infrastructure, Transport, Regional Development and Local Government, *Annual Report 2007-08*, p. 55.

10 Department of Infrastructure, Transport, Regional Development and Local Government, *Annual Report 2007-08*, p. 54.

11 Department of Infrastructure, Transport, Regional Development and Local Government, *Annual Report 2007-08*, p. 139.

12 Department of Infrastructure, Transport, Regional Development and Local Government, *Annual Report 2007-08*, pp 179 and 195.

13 Department of Infrastructure, Transport, Regional Development and Local Government, *Annual Report 2007-08*, pp 179, 196–198 and 201.

Management and accountability

2.15 Five major ANAO performance audits relating to Infrastructure activities were tabled during 2007-08. Those reports of particular interest are discussed below.

2.16 In ANAO Audit Report No. 44 of 2007-08, *Interim Phase of the Audit of Financial Statements of General Government Sector Agencies for the Year Ending 30 June 2008*, the ANAO followed up on the moderate control weakness relating to grant management identified in the previous year's audit. The audit confirmed that the department has not fully resolved these issues, identifying instances where expenditure reports were not received or were received outside of the timeframes specified in grant agreements. These weaknesses were noted in a number of programs, in particular the supplementary AusLink Roads to Recovery Program. The ANAO noted that the department has recently implemented a new on-line business system, AusLink Program Management System (APMS) to make it easier for grant recipients to submit financial reports. The ANAO acknowledged improvements in the administration of some programs since the introduction of APMS in December 2007.¹⁴

2.17 The ANAO Audit Report No. 14 of 2007-08, *Performance Audit of the Regional Partnerships Programme*, identified serious concerns with DOTARS' management of the RPP in the first three years of its operation. The ANAO found that:

- the flexibility in the application assessment and Ministerial approval processes created challenges in ensuring transparent, accountable and cost-effective administration and in demonstrating the equitable treatment of applicants; and
- the manner in which the program had been administered over the three year period to 30 June 2006 examined by ANAO had fallen short of an acceptable standard of public administration, particularly in respect to the assessment of grant applications and the management of Funding Agreements.¹⁵

2.18 The ANAO observed that departures from the documented RPP assessment criteria and procedures were a feature of the program. This resulted in funding being approved for projects that did not proceed as planned or did not result in the

14 Australian National Audit Office (ANAO), *Interim Phase of the Audit of Financial Statements of General Government Sector Agencies for the Year Ending 30 June 2008*, Audit Report No. 44, 2007-08, p. 188.

15 ANAO, *Performance Audit of the Regional Partnerships Programme: Volume 1—Summary and Recommendations*, Audit Report No. 14, 2007-08, pp 19–20.

anticipated community benefits. It also led to inconsistency and perceptions that funding decisions were not merit-based.¹⁶

2.19 In addition, the ANAO noted that DOTARS' administration in relation to program evaluation and reporting requirements 'has been less than adequate'.¹⁷

2.20 The audit also identified potential improvements to the financial framework governing the expenditure of public money. In particular, persons approving proposals to spend public money, including Ministers, are currently not required to record the basis for being satisfied that a proposal represents efficient and effective use of public money. The ANAO found that in some circumstances this leaves uncertainty as to the basis of decisions to provide a grant.¹⁸

2.21 While the ANAO acknowledged that DOTARS had made changes to the operation of the RPP and started 'a programme of significant administrative re-engineering' since late 2006, it also noted that 'challenges remain in respect to key aspects' of the RPP.¹⁹ The ANAO made 19 recommendations to DOTARS to further improve its administrative practices and procedures. One additional recommendation was made to the then Department of Finance and Administration (Finance), designed to strengthen the framework governing the expenditure of public money.²⁰ DOTARS has agreed or agreed with qualification to 19 of the ANAO's recommendations and Finance has agreed to the remaining recommendation.²¹

2.22 The ANAO Audit Report No. 22 of 2007-08, *Administration of Grants to the Australian Rail Track Corporation*, identified a number of issues with the administration of special grants paid to the ARTC. The ANAO observed that there were no contracts, funding agreements or documented governance arrangements requiring the ARTC to use the special grant funding of \$820 million on any particular projects or in any particular timeframe. This was a direct consequence of steps taken by DOTARS and Finance to allow the ARTC to treat the initial special grant as non-assessable for taxation purposes.²² In addition, there were significant differences

16 ANAO, *Performance Audit of the Regional Partnerships Programme: Volume 1—Summary and Recommendations*, Audit Report No. 14, 2007-08, pp 21–22 and 24.

17 ANAO, *Performance Audit of the Regional Partnerships Programme: Volume 1—Summary and Recommendations*, Audit Report No. 14, 2007-08, p. 27.

18 ANAO, *Performance Audit of the Regional Partnerships Programme: Volume 1—Summary and Recommendations*, Audit Report No. 14, 2007-08, p. 23.

19 ANAO, *Performance Audit of the Regional Partnerships Programme: Volume 1—Summary and Recommendations*, Audit Report No. 14, 2007-08, pp 20 and 28.

20 ANAO, *Performance Audit of the Regional Partnerships Programme: Volume 1—Summary and Recommendations*, Audit Report No. 14, 2007-08, pp 31 and 121–131.

21 ANAO, *Performance Audit of the Regional Partnerships Programme: Volume 1—Summary and Recommendations*, Audit Report No. 14, 2007-08, pp 121–131.

22 ANAO, *Administration of Grants to the Australian Rail Track Corporation*, Audit Report No. 22, 2007-08, p. 18.

between the projects to be undertaken by the ARTC and the original projects put to the then Prime Minister when he approved the special grant.²³ The ANAO made two recommendations which DOTARS and Finance have accepted.

Conclusion

2.23 The committee considers that Infrastructure's *Annual Report 2007-08* complies with the reporting requirements of a Commonwealth department.

23 ANAO, *Administration of Grants to the Australian Rail Track Corporation*, Audit Report No. 22, 2007-08, p. 19.

Chapter 3

Annual reports of agencies

3.1 The committee considered all of the following reports to be 'apparently satisfactory'.

Agriculture, Fisheries and Forestry portfolio

Commonwealth authorities

Grains Research and Development Corporation

3.2 The committee is pleased to note that following comments made in its report *Annual reports (No. 1 of 2008)*, the GRDC has amended the directors' certification contained in its transmittal letter. This certification, that directors are responsible for the preparation and content of the report, is now made under section 9 of the CAC Act, as specified in paragraph 4(1)(d) of the CAC Orders.

3.3 The committee is also pleased to observe that the GRDC has included more detailed information in its reporting under subsection 8(1) of the FOI Act, as mentioned in the committee's previous reports.¹ However, no information was provided on arrangements for others to participate in the Corporation's policy formulation process or facilities for physical access to documents. The committee encourages the GRDC to include this information in upcoming reports.

3.4 Overall the committee found the GRDC's report well presented and informative.

Grape and Wine Research and Development Corporation

3.5 The committee found the compliance index in the GWRDC's report to be adequate for assessing compliance under the CAC Act, even though it was missing some items. The committee had some difficulty, however, in determining if the GWRDC had addressed reporting requirements under its enabling legislation, the *Primary Industries and Energy Research and Development Act 1989* (PIERD Act). In particular, the committee was unable to locate information about the activities of any companies in which the GWRDC has an interest, activities relating to the formation of a company, and details of any significant acquisitions or dispositions of real property by the GWRDC during the financial year.² The committee encourages the GWRDC to include a more comprehensive compliance index in upcoming reports, with separate

1 Senate Rural and Regional Affairs and Transport Committee, *Annual reports (No. 2 of 2006)*, p. 12; *Annual reports (No. 2 of 2007)*, p. 14; and *Annual reports (No. 1 of 2008)*, pp 22–23.

2 *Primary Industries and Energy Research and Development Act 1989*, 28(1)(a)(vi), (vii) and (viii).

sections for compliance under the CAC Act and the PIERD Act. The GWRDC is reminded that if it has nothing to report against a particular requirement it should clearly indicate this with a nil entry.

3.6 The committee is pleased to note that following comments made in its previous reports, the GWRDC has included information about patents in its current annual report, as required by the PIERD Act.³

3.7 The committee notes that the GWRDC's revenue for the year was significantly reduced from \$28.8 million to \$23.1 million. This was due to 'the combined effects of both severe frost events in many cool climate regions and restriction on the availability of water and heat effects in warmer regions during late 2006 and 2007 respectively. This resulted in a national harvest of approximately 1.4 million tonnes, the lowest since the 1.39 million tonnes crushed nationally in 2003.'⁴

3.8 In response to lower than expected revenues, expenditure was also reduced from \$28.4 million to \$23.4 million, largely through changes in timing to contracted expenditure. This resulted in changes to the 2007-08 Annual Operational Plan in relation to the GWRDC's expenditure on the Australian Government Rural Research and Development priorities.⁵

Land and Water Australia

3.9 In its previous report, the committee noted that LWA's annual report for 2006-07 included a compliance index, however, it was not comprehensive or easy to follow.⁶ The committee is disappointed that LWA's 2007-08 report no longer contains a compliance index. As a result, the committee had considerable difficulty in determining whether LWA had addressed some of its reporting requirements. The committee encourages LWA to include a compliance index in its next report, and to closely align this index with the reporting requirements as set out in the CAC Act and the PIERD Act.

3.10 The committee notes that LWA has included a table which sets out the authority's compliance with statutes and government policies. While this table is clearly presented, it provides minimal detail on the action taken by LWA to comply with the relevant legislation, stating 'compliant' for a majority of items.⁷ The

3 Senate Rural and Regional Affairs and Transport Committee, *Annual reports (No. 2 of 2006)*, p. 13; *Annual reports (No. 2 of 2007)*, p. 15; and *Annual reports (No. 1 of 2008)*, p. 23. See also *Primary Industries and Energy Research and Development Act 1989*, 28(1)(a)(v).

4 Grape and Wine Research and Development Corporation, *Annual Report 2007-08*, p. 4.

5 Grape and Wine Research and Development Corporation, *Annual Report 2007-08*, p. 4.

6 Senate Standing Committee on Rural and Regional Affairs and Transport, *Annual reports (No. 2 of 2008)*, November 2008, p. 13.

7 Land and Water Australia, *Annual Report 2007-08*, pp 81–83.

committee reminds LWA that, in its annual report, it is required to record activities which demonstrate its compliance with legislative requirements. It is not sufficient to state 'compliant' and note that details are available on request.

3.11 The committee notes that both revenue and expenditure for the year were approximately \$4.5 million higher than forecast in LWA's 2007-08 Annual Operating Plan. LWA explained that this was due to greater than forecast activity on a number of programs, including: Tropical Rivers and Coastal Knowledge Research; Defeating the Weeds Menace; Climate Change Research Strategy for Primary Industries (CCRSPI); Healthy Soils for Sustainable Farms; and the National Land and Water Resources Audit.⁸

3.12 LWA reported that while it continued to attract significant research co-investment in 2007-08, there is a risk that continuing drought and water shortages will adversely affect LWA's 'capacity to attract co-investment funds in the future, particularly from enterprise-based rural R&D corporations which have been important collaborative funding partners, but which depend in part on production levies'.⁹

Rural Industries Research and Development Corporation

3.13 The committee considers that the RIRDC has provided a comprehensive review of its functions, activities and outcomes in its annual report for 2007-08. Its report is clear, easy to read and well structured. In addition, the RIRDC's reporting against its corporate plan and the EPBC and OH&S Acts was particularly thorough.

3.14 While the RIRDC's compliance index was detailed and useful, the committee notes that it contained some incorrect page numbers. The committee reminds the RIRDC that its reporting under the FOI Act is required to contain information about arrangements for others to participate in its policy formulation process and facilities for physical access to documents. The RIRDC has included a general statement about the Commonwealth Disability Strategy, however, there was no assessment of its performance in implementing the strategy (as outlined in paragraph 1.30). The committee encourages the RIRDC to include this information in upcoming reports.

3.15 The RIRDC reported that as its levy revenue is production-based, the impact of the drought on agricultural production has led to reduced levy revenue available to fund R&D within the Established Rural Industries portfolio. In addition, the RIRDC's long term approach to large, non-levy based industries continues to be a strategic issue. The RIRDC is currently managing this problem through prudent application of its reserves policy.¹⁰

8 Land and Water Australia, *Annual Report 2007-08*, p. 16.

9 Land and Water Australia, *Annual Report 2007-08*, p. 14.

10 Rural Industries Research and Development Corporation, *Annual Report 2007-08*, pp 14 and 89.

Wheat Export Authority

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

3.17 The committee notes that this is the final annual report of the WEA. In line with the recommendations of the Uhrig Review and following changes to the *Wheat Marketing Act 1989*, the WEA ceased operation on 30 September 2007 and was replaced by the Export Wheat Commission (EWC) from 1 October 2007.¹¹ The committee notes that the EWC is a statutory commission under the FMA Act.¹²

3.18 The committee has already commented on the lateness of the WEA's 2006-07 annual report in paragraph 1.13. The committee notes that the transmittal letter in this report is incorrectly dated 15 January 2007 instead of 2008.

3.19 The committee reminds the WEA that under paragraph 4(1)(d) of the CAC Orders, certification of its report must also include a statement that directors are responsible under section 9 of the CAC Act for the preparation and content of the report of operations in accordance with Finance Minister's Orders. It is not sufficient to state that they are responsible... 'consistent with Finance Minister's Orders'.¹³

3.20 The committee is disappointed that despite comments in a previous report, the WEA has again failed to report against section 15 of the CAC Act in its compliance index.¹⁴ This section requires agencies to notify the Minister of significant events such as forming a company or partnership, acquiring significant shareholdings or businesses, or commencing significant business activity. The WEA is reminded that if it has nothing to report against a particular requirement it should clearly indicate this with a nil entry.

3.21 Following comments made in a previous report, the committee is pleased to note that the WEA has included information about ministerial directions in its current annual report, as required by section 12 of the CAC Orders.¹⁵ The committee notes that the WEA received a direction from the Minister in September 2007 to examine and report on the Services Agreement coming into effect from 1 October 2007

11 Wheat Export Authority, *Annual Report 2006-07*, p. 1.

12 Wheat Export Authority, *Annual Report 2006-07*, pp 17 and 50.

13 Wheat Export Authority, *Annual Report 2006-07*, p. iii. See also previous comments in Senate Standing Committee on Rural and Regional Affairs and Transport, *Annual Reports (No. 2 of 2007)*, p. 16.

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

15 Senate Standing Committee on Rural and Regional Affairs and Transport, *Annual Reports (No. 2 of 2007)*, p. 16.

between the Australian Wheat Board Ltd (AWBL) and AWB International (AWBI). The EWC has assumed responsibility for the investigation since 1 October 2007.¹⁶

3.22 The WEA reported that additional funding was received from the Government during 2006-07 in the form of two \$500,000 payments to offset a reduction in levy collections for 2006-07 due to the drought. A further \$2 million payment was made in September 2007 to enable the WEA to remain financially viable and to cover the transition to the EWC and ongoing operational costs.¹⁷

3.23 The committee notes that members of the EWC are engaging in ongoing discussions with the Minister for Agriculture, Fisheries and Forestry regarding future funding arrangements. Due to the ongoing drought, the existing Wheat Export Charge (WEC) is generating insufficient income to meet the EWC's monthly operating expense requirements.¹⁸

Prescribed agencies

Dairy Adjustment Authority

3.24 The committee reminds the DAA that it considers its annual report would benefit from a compliance index and a more comprehensive alphabetical index.¹⁹

3.25 The committee is disappointed that despite comments made in previous reports, the DAA has not fully demonstrated its compliance with the Requirements for Annual Reports.²⁰ In particular, the committee notes that the DAA has again failed to provide a summary table of resources by outcomes, and has not presented all required information regarding consultancies in accordance with the mandatory proforma. The committee reminds the DAA that as a prescribed agency under the FMA Act, it is subject to the Requirements for Annual Reports, and the checklist provided in Attachment F to those requirements.

3.26 The committee commends the DAA for certifying its compliance with the Commonwealth Fraud Control Guidelines in the prescribed manner, as outlined in paragraphs 1.35 and 1.36. In addition, the DAA's reporting on its performance against objectives was well presented, clear and easy to follow.

16 Wheat Export Authority, *Annual Report 2006-07*, pp 8 and 47.

17 Wheat Export Authority, *Annual Report 2006-07*, p. 9.

18 Wheat Export Authority, *Annual Report 2006-07*, p. 89.

19 Senate Rural and Regional Affairs and Transport Committee, *Annual reports (No. 2 of 2006)*, pp 5 and 14; *Annual reports (No. 2 of 2007)*, pp 6 and 17; and *Annual reports (No. 1 of 2008)*, pp 6 and 24.

20 Senate Rural and Regional Affairs and Transport Committee, *Annual reports (No. 2 of 2006)*, pp 14–15; *Annual reports (No. 2 of 2007)*, p. 17; and *Annual reports (No. 1 of 2008)*, p. 24.

3.27 The committee is also pleased to note that the DAA reported appropriately against its obligations under section 311A of the Commonwealth Electoral Act 1918, regarding payments to advertising, market research, or any related agencies during the financial year.

3.28 The committee notes that the DAA's annual report for 2007-08 marks the final year of substantive operations for the DAA. In April 2008, after eight years of operation, the final quarterly payment to eligible dairy producers was made. Throughout the year, the DAA and the Department of Agriculture, Fisheries and Forestry (DAFF) continued discussions to prepare for the wind-up of the DAA in 2009. As part of this process, the Secretary of DAFF assumed responsibility for the DAA from 1 July 2008. The committee notes that total payments made under the Dairy Structural Adjustment Program and the Supplementary Dairy Assistance Program amounted to \$1,745 million as at 30 June 2008.²¹

Infrastructure, Transport, Regional Development and Local Government portfolio

Commonwealth authorities

Airservices Australia

3.29 Following the committee's comments in its previous report, the committee is pleased to observe that Airservices Australia submitted its annual report to the Minister by 15 October, as required under the CAC Act, and that the report was presented to the President of the Senate on 30 October, in line with government policy.

3.30 As mentioned in the committee's previous reports the compliance index in this report was not comprehensive.²² The committee again found it difficult to ascertain whether Airservices Australia had adequately reported against section 15 of the CAC. The committee also had difficulty finding information about subsidiaries and the location of major activities and facilities. The committee encourages Airservices Australia to include a more comprehensive compliance index in upcoming reports.

3.31 The committee notes that the name of the responsible minister at the time of the report was indicated, however, he was not the Minister for the whole financial year.²³ The committee draws attention to paragraph 8 (b) of the CAC Orders, which states that the report must specify the name of the responsible minister at the date of

21 Dairy Adjustment Authority, *Annual Report 2007-08*, pp 1 and 7. See also Department of Agriculture, Fisheries and Forestry, *Annual Report 2007-08*, p. 76.

22 Senate Standing Committee on Rural and Regional Affairs and Transport, *Annual Reports (No. 1 of 2007)*, p. 6; and *Annual Reports (No. 2 of 2008)*, p. 15.

23 Airservices Australia, *Annual Report 2007-08*, p. 7.

the report and the names of any other responsible ministers during the period covered by the report.

3.32 The committee notes that during 2007-08, Airservices Australia undertook further restructuring of its business groups. As part of this process, the National Operations Centre was established to provide centralised national air traffic management with the aim of improving efficiency and reducing delays, fuel burn and emissions. The Environment and Climate Change team was formed to address strategy and compliance, aviation communities and the internal E-Change program. In addition, the Strategic Coordination Unit was formed to ensure integrated strategic planning across the organisation.²⁴

3.33 The committee notes the introduction of a mandatory drug and alcohol testing regime, following amendments to the *Aviation Transport Security Act 2004* and the *Civil Aviation Act 1988*. This will cover all personnel undertaking safety-sensitive aviation activities. Airservices Australia will be required to have a drug and alcohol management plan and CASA will manage a random testing regime.²⁵

Australian Maritime College

3.34 The committee is pleased to note that following comments made in the committee's previous reports, the AMC has included a specific date with its letter of transmittal.²⁶ The committee is also pleased to note that the AMC has provided the names of current and previous responsible ministers as required by paragraph 8 (b) of the CAC Orders, an omission in the AMC's previous report.

3.35 The committee commends the AMC for certifying its compliance with the Commonwealth Fraud Control Guidelines in the prescribed manner, as outlined in paragraphs 1.35 and 1.36.

3.36 The committee observes, however, that the AMC has once again failed to address a number of other legislative requirements under the CAC Act, as mentioned in the committee's previous reports.²⁷

3.37 The committee notes that as of 1 January 2008, the AMC integrated with the University of Tasmania. As such, it is expected that this will be the AMC's final annual report. The *Maritime Legislation Amendment Act 2007* of 17 October 2007 repealed the AMC's governing legislation, the *Maritime College Act 1978*, and

24 Airservices Australia, *Annual Report 2007-08*, pp 5 and 9.

25 Airservices Australia, *Annual Report 2007-08*, p. 34.

26 Senate Rural and Regional Affairs and Transport Committee, *Annual reports (No. 1 of 2005)*, p. 5; *Annual reports (No. 1 of 2006)*, p. 5; *Annual reports (No. 1 of 2007)*, p. 8; and *Annual reports (No. 1 of 2008)*, p. 19.

27 Senate Rural and Regional Affairs and Transport Committee, *Annual reports (No. 1 of 2006)*, p. 4; *Annual reports (No. 1 of 2007)*, pp 6, 7 and 8; and *Annual reports (No. 1 of 2008)*, p. 19.

authorised the transfer of all physical and financial assets to the University of Tasmania. The AMC now operates as an institute within the University of Tasmania and has ceased to exist as a separate legal entity under Commonwealth law.²⁸

Australian Maritime Safety Authority

3.38 The committee considers that AMSA has provided a comprehensive review of its functions, activities and achievement of objectives in its annual report for 2007-08. Its report is easy to read and well presented.

3.39 The committee notes that AMSA included a compliance index in its report, however, it was not comprehensive or easy to follow. For example, some items were not mentioned in the compliance index, while others were located in two places in the text but only referenced in the index once. In particular, the committee had difficulty locating the following:

- Developments since the end of the financial year which may affect the authority's operations – this information was only located in the text of the financial statements, with no reference in the compliance index.²⁹
- While ministerial directions under AMSA's enabling act were addressed, there was no reference in the text to ministerial directions under section 28 of the CAC Act.³⁰
- Indemnities and insurance premiums in place for officers were listed in the compliance index, however, no details were given in relation to these items as specified under section 16 of the CAC Orders. Instead, the report gave details in relation to workers' compensation premiums.³¹
- The reference to the responsible minister only mentioned the current minister. Details of the previous responsible minister were provided elsewhere in the text under 'Corporate Governance Arrangements' but were not listed in the compliance index.³²
- The reference to judicial decisions and reviews by outside bodies only contained information about judicial decisions and decisions of administrative tribunals. Information about reviews by parliamentary committees and the Auditor-General was provided separately under

28 Australian Maritime College, *Annual Report 2007*, pp 5 and 57.

29 *Commonwealth Authorities and Companies (Report of Operations) Orders 2005*, s. 10 (f).

30 *Commonwealth Authorities and Companies (Report of Operations) Orders 2005*, s. 12 (b).

31 Australian Maritime Safety Authority, *Annual Report 2007-08*, p. 59.

32 *Commonwealth Authorities and Companies (Report of Operations) Orders 2005*, s. 8 (b). See also Australian Maritime Safety Authority, *Annual Report 2007-08*, pp 5, 70 and 141.

'Corporate Governance Arrangements' but was not listed in the compliance index.³³

3.40 The committee encourages AMSA to include a more comprehensive compliance index in upcoming reports, to more accurately reflect the requirements of the CAC Act and the CAC Orders. Where AMSA has nothing to report against an item, a nil entry should be recorded.

3.41 The committee commends AMSA on its reporting under the OH&S Act, which was particularly thorough. AMSA's reporting under the FOI Act was also well done, however, details of arrangements for outside bodies to participate in policy formulation were provided in a separate section under 'Our Stakeholders' and were not listed in the compliance index.³⁴

3.42 The committee notes that AMSA recorded a \$2.780 million net deficit compared to a budgeted deficit of \$6.496 million. This was due to higher than expected revenue of \$8.911 million and higher than expected expenditure of \$5.195 million. Among the main reasons for higher revenue were higher subcontracted use of AMSA's Search and Rescue aeroplanes by the Australian Customs Service, increased Protection of the Sea levy rates, and higher commercial shipping activity than forecast. Increased expenditure was driven by a combination of factors including the full year impact of five new search and rescue aircraft, the extra use made by Customs of AMSA's aircraft on surveillance work, and inflation factors across all contracts.³⁵

Senator Glenn Sterle
Chair

33 *Commonwealth Authorities and Companies (Report of Operations) Orders 2005*, s. 11 (a) and (b). See also Australian Maritime Safety Authority, *Annual Report 2007-08*, pp 70, 78 and 141.

34 *Commonwealth Authorities and Companies (Report of Operations) Orders 2005*, s. 17 (2) and *Freedom of Information Act 1982* s. 8 (1). See also Australian Maritime Safety Authority, *Annual Report 2007-08*, pp 58–59, 66–67 and 141.

35 Australian Maritime Safety Authority, *Annual Report 2007-08*, p. 10.

Appendix 1

List of annual reports referred to the committee during the period 1 May 2008 to 31 October 2008

Agriculture, Fisheries and Forestry portfolio

	Legislation	Letter of transmittal date	Date Sent to Minister	Date received by Minister	Tabling date*
<i>Statutory authorities</i>					
Fisheries Research and Development Corporation— Report for 2006-07— Correction	<i>PIERD Act 1989</i> <i>CAC Act 1997</i>	n/a	11/02/08	11/02/08	13/05/08
Grains Research and Development Corporation— Report for 2007-08	<i>PIERD Act 1989</i> <i>CAC Act 1997</i>	15/10/08	15/10/08	17/10/08	10/11/08* (31/10/08)
Grape and Wine Research and Development Corporation—Report for 2007-08	<i>PIERD Act 1989</i> <i>CAC Act 1997</i>	12/10/08	15/10/08	17/10/08	10/11/08* (31/10/08)
Land and Water Resources Research and Development Corporation (Land and Water Australia) —Report for 2007-08	<i>PIERD Act 1989</i> <i>CAC Act 1997</i>	13/10/08	13/10/08	17/10/08	10/11/08* (28/10/08)
Rural Industries Research and Development Corporation—Report for 2007-08	<i>PIERD Act 1989</i> <i>CAC Act 1997</i>	30/09/08	8/10/08	14/10/08	10/11/08* (28/10/08)
Wheat Export Authority— Report for 2006-07	<i>CAC Act 1997</i> <i>Wheat Marketing Act 1989</i>	15/01/08	25/02/08	25/02/08	13/05/08

	Legislation	Letter of transmittal date	Date Sent to Minister	Date received by Minister	Tabling date*
<i>Prescribed agencies</i>					
Dairy Adjustment Authority—Report for 2007-08	<i>Dairy Produce Act 1986</i> <i>Financial Management and Accountability Act 1997</i>	9/09/08	16/10/08	21/10/08	10/11/08* (28/10/08)
<i>Other</i>					
Australian Landcare Council—Report for 2006-07	<i>Natural Resources Management (Financial Assistance) Act 1992</i>	5/09/07	25/08/08	25/08/08	27/08/08
Australian Livestock Export Corporation (LiveCorp)—Report for 2006-07	<i>Australian Meat and Live-stock Industry Act 1997</i> <i>Corporations Act 2001</i>		14/02/08	14/02/08	13/05/08
<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 January 2008 to 30 June 2008	<i>Australian Meat and Live-stock Industry Act 1997</i>	n/a	29/08/08	29/08/08	16/09/08
Dairy Australia Limited: Delivering for the Dairy Industry—Report for 2006-07	<i>Dairy Produce Act 1986</i> <i>Corporations Act 2001</i>	24/10/07	19/02/08	19/02/08	13/05/08
<i>Dairy Produce Act 1986</i> —Funding contract with Dairy Australia Ltd—Report for 2006-07	<i>Dairy Produce Act 1986</i>	n/a	19/02/08	19/02/08	13/05/08
National Residue Survey—Report for 2007-08	<i>National Residue Survey Administration Act 1992</i>	20/09/08	1/10/08	1/10/08	10/11/08* (30/10/08)
Torres Strait Protected Zone Joint Authority—Report for 2005-06	<i>Torres Strait Fisheries Act 1984</i>		27/3/08	27/3/08	16/06/08* (19/05/08)

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

Infrastructure, Transport, Regional Development and Local Government portfolio

	Legislation	Letter of transmittal date	Date Sent to Minister	Date received by Minister	Tabling date*
Department of State					
Department of Infrastructure, Transport, Regional Development and Local Government—Report for 2007-08	<i>Public Service Act 1999</i> <i>Airports (environment Protection) Regulations 197</i> <i>Air Navigation Act 1920</i> <i>Aircraft Noise levy Collection Act 1995</i> <i>FMA Act 1997</i>	20/10/08	24/09/08	24/09/08	10/11/08* (30/10/08)
Statutory authorities					
Airservices Australia—Report for 2007-08	<i>Air Services Act 1995</i> <i>CAC Act 1997</i>	16/09/08	13/10/08	13/10/08	10/11/08* (30/10/08)
Australian Maritime College—Report for 2007	<i>Maritime Legislation Amendment Act 2007</i> <i>CAC Act 1997</i>	13/03/08	8/05/08	8/05/08	17/06/08
Australian Maritime Safety Authority—Report for 2007-08	<i>Australian Maritime Safety Authority Act 1990</i> <i>CAC Act 1997</i>	24/09/08	2/10/08	2/10/08	10/11/08* (17/10/08)
Other					
Airservices Australia—Corporate Plan July 2007-2012	<i>Air Services Act 1995</i> <i>CAC Act 1997</i>	15/05/07	21/05/08	21/05/08	16/06/08* (19/05/08)
Airservices Australia—National Equity and Diversity Program—Progress Report 2006-07	<i>Equal Employment Opportunity (Commonwealth Authorities) Act 1987</i>	n/a	4/10/07	4/10/07	17/06/08
AusLink—Report for 2006-07	<i>AusLink (National Land Transport) Act 2005</i>	n/a	22/04/08	8/05/08	24/06/08

	Legislation	Letter of transmittal date	Date Sent to Minister	Date received by Minister	Tabling date*
Civil Aviation Safety Authority—Corporate Plan 2007-08 to 2009-10	<i>Civil Aviation Act 1988</i> <i>CAC Act 1997</i>	11/02/08	11/02/08	11/02/08	13/05/08* (22/04/08)
International Air Services Commission—Report for 2007-08	<i>International Air Services Commission Act 1992</i>	12/09/08	1/09/08	1/09/08	14/10/08
<i>Sydney Airport Demand Management Act 1997</i> —quarterly report on the maximum movement limit for the period 1 October to 31 December 2007	<i>Sydney Airport Demand Management Act 1997</i>	n/a	04/02/08	04/02/08	13/05/08
<i>Sydney Airport Demand Management Act 1997</i> —quarterly report on the maximum movement limit for the period 1 January to 31 March 2008	<i>Sydney Airport Demand Management Act 1997</i>	n/a	12/06/08	12/06/08	24/06/08

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

Appendix 2

List of annual reports tabled after 31 October 2008

Agriculture, Fisheries and Forestry portfolio

	Legislation	Letter of transmittal date	Date Sent to Minister	Date received by Minister	Tabling date*
<i>Departments of State</i>					
Department of Agriculture, Fisheries and Forestry— Report for 2007-08	<i>Public Service Act 1999</i> <i>Financial Management and Accountability Act 1997</i>	26/09/08	25/09/08	30/09/08	11/11/08
<i>Statutory authorities</i>					
Australian Fisheries Management Authority— Report for 2007-08	<i>Fisheries Administration Act 1991</i> <i>CAC Act 1997</i>	10/10/08	15/10/08	15/10/08	25/11/08
Australian Wine and Brandy Corporation— Report for 2007-08	<i>Australian Wine and Brandy Corporation Act 1980</i> <i>CAC Act 1997</i>	1/10/08	1/10/08	1/10/08	11/11/08
Cotton Research and Development Corporation— Report for 2007-08	<i>PIERD Act 1989</i> <i>CAC Act 1997</i>	3/10/08	14/10/08	23/10/08	12/11/08
Fisheries Research and Development Corporation— Report for 2007-08	<i>PIERD Act 1989</i> <i>CAC Act 1997</i>	12/08/08	26/09/08	13/10/08	3/02/09
Forest and Wood Products Research and Development Corporation— Report for 1 July to 31 August 2007	<i>PIERD Act 1989</i> <i>CAC Act 1997</i>	July 2008	2/10/08	2/10/08	11/11/08
Sugar Research and Development Corporation— Report for 2007-08	<i>PIERD Act 1989</i> <i>CAC Act 1997</i>	26/09/08	30/09/08	14/10/08	24/11/08* (20/11/08)

	Legislation	Letter of transmittal date	Date Sent to Minister	Date received by Minister	Tabling date*
<i>Prescribed agencies</i>					
Australian Pesticides and Veterinary Medicines Authority—Report for 2007-08	<i>Agricultural and Veterinary Chemicals (Administration) Act 1992</i> <i>FMA Act 1997</i>		2/10/08	2/10/08	11/11/08
Export Wheat Commission—Report for 2007-08	<i>Wheat Marketing Act 1989</i> <i>FMA Act 1997</i>	23/10/08	14/10/08	14/10/08	3/02/09* (17/12/08)
<i>Other</i>					
Australian Landcare Council—Report for 2007-08	<i>Natural Resources Management (Financial Assistance) Act 1992 (ss.27(1)&(2))</i>	27/10/08	6/11/08	1/12/08	3/02/09* (11/12/08)
Australian Livestock Export Corporation (LiveCorp)—Report for 2007-08	<i>Australian Meat and Live-stock Industry Act 1997</i> <i>Corporations Act 2001</i>		4/12/08	8/01/09	3/02/09* (18/12/08)
Dairy Australia Limited—Report for 2007-08	<i>Dairy Produce Act 1986</i> <i>Corporations Act 2001</i>	21/10/08	28/11/08	2/12/08	3/02/09* (18/12/08)
National Rural Advisory Council—Report for 2006-07	<i>Rural Adjustment Act 1992</i>	December 2007	17/03/08	18/03/08	3/02/09
National Rural Advisory Council—Report for 2007-08	<i>Rural Adjustment Act 1992</i>	October 2008	28/10/08	28/10/08	25/11/08
Dairy Australia Limited—Statutory funding agreement with the Commonwealth (Deed dated 18/4/07)	<i>Dairy Produce Act 1986</i> <i>Australian Meat and Live-stock Industry Act 1997</i>	n/a	2/09/08	11/09/08	10/02/09

	Legislation	Letter of transmittal date	Date Sent to Minister	Date received by Minister	Tabling date*
Australian Livestock Export Corporation Limited— Statutory funding agreement with the Commonwealth for 2007-2010	<i>Dairy Produce Act 1986</i> <i>Australian Meat and Live-stock Industry Act 1997</i>	n/a	2/09/08	11/09/08	10/02/09

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

Infrastructure, Transport, Regional Development and Local Government portfolio

	Legislation	Letter of transmittal date	Date Sent to Minister	Date received by Minister	Tabling date*
Statutory authorities					
Civil Aviation Safety Authority—Report for 2007-08	<i>Civil Aviation Act 1988</i> <i>CAC Act 1997</i>	30/09/08	9/10/08	9/10/08	11/11/08
National Transport Commission—Report for 2007-08	<i>National Transport Commission Act 2003</i> <i>CAC Act 1997</i>	23/09/08	21/10/08	21/10/08	10/11/08* (5/11/08)
Companies					
Australian Rail Track Corporation Ltd—Report for 2007-08	<i>Corporations Act 2001</i>		19/11/08	20/11/08	3/02/09* (16/12/08)
Australian River Co. Limited—Report for 1 December 2006 to 30 November 2007	<i>Corporations Act 2001</i> <i>CAC Act 1997</i>		3/09/08	8/09/08	25/11/08
Other					
Airservices Australia – Corporate Plan July 2008-2013	<i>Air Services Act 1995</i> <i>CAC Act 1997</i>	19/09/08	19/09/08	19/09/08	11/11/08
Airservices Australia National Equity and Diversity Program - Progress Report 2007-08	<i>Equal Employment Opportunity (Commonwealth Authorities) Act 1987</i>	n/a	11/09/08	11/09/08	11/11/08
Civil Aviation Safety Authority—Corporate Plan 2008-09 to 2010-11	<i>Civil Aviation Act 1988</i> <i>CAC Act 1997</i>	n/a	18/12/08	18/12/08	10/02/09
<i>Sydney Airport Demand Management Act 1997</i> —quarterly report on the maximum movement limit for the period 1 April to 30 June 2008	<i>Sydney Airport Demand Management Act 1997</i>	n/a	22/10/08	24/10/08	2/12/08

	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 July to 30 September 2008	<i>Sydney Airport Demand Management Act 1997</i>	n/a	29/10/08	30/10/08	2/12/08

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

