

The Senate

Rural and Regional
Affairs and Transport
Legislation Committee

Annual reports (No. 2 of 2009)

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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.....	10
Comment on significant matters.....	10
Chapter 2.....	11
Annual reports of departments	11
Department of Agriculture, Fisheries and Forestry.....	11
Chapter 3.....	17
Annual reports of agencies	17
Agriculture, Fisheries and Forestry portfolio	17
Infrastructure, Transport, Regional Development and Local Government portfolio	25
Appendix 1	29
List of annual reports referred to the committee during the period 1 November 2008 to 30 April 2009	29
Agriculture, Fisheries and Forestry portfolio	29
Infrastructure, Transport, Regional Development and Local Government portfolio	32

List of Abbreviations

AFMA	Australian Fisheries Management Authority
AHA	Animal Health Australia
ANAO	Australian National Audit Office
APSC	Australian Public Service Commission
APVMA	Australian Pesticides and Veterinary Medicines Authority
ARTC	Australian Rail Track Corporation
AUSVETPLAN	Australian Veterinary Emergency Plan
AWBC	Australian Wine and Brandy 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
CEO	Chief Executive Officer
CPRS	Carbon Pollution Reduction Scheme
CRDC	Cotton Research and Development Corporation
DAA	Dairy Adjustment Authority
DAFF	Department of Agriculture, Fisheries and Forestry
EC	Exceptional Circumstances
EPBC Act	<i>Environment Protection and Biodiversity Conservation Act 1999</i>
EWC	Export Wheat Commission
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
FTA	Free Trade Agreement
FWPAL	Forest and Wood Products Australia Ltd
FWPRDC	Forest and Wood Products Research and Development Corporation
IRA	Import Risk Assessment
NRAC	National Rural Advisory Council
NTC	National Transport Commission
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
RCP	Regional and Community Projects
Requirements for Annual Reports	<i>Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies</i>
SRDC	Sugar Research and Development Corporation
Strategy	Commonwealth Disability Strategy
Uhrig review	<i>Review of the corporate governance of statutory authorities and office holders</i>
WEA	Wheat Exports Australia (from 1 July 2008)
WEC	Wheat Export Charge
WFA	Winemakers' Federation of Australia
WTO	World Trade Organization

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 legislation committees in accordance with an allocation of departments and agencies in a resolution of the Senate. Each committee shall:

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

- (h) report to the Senate each year whether there are any bodies which do not present annual reports to the Senate and which should present such reports.¹

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 30 April each year by the tenth sitting day after 30 June of that year. This year, that date is 9 September 2009. The committee is also required to report on annual reports tabled by 31 October each year by the tenth sitting day of the following year.

1 *Standing orders and other orders of the Senate*, June 2009, p. 28. (This Standing Order was amended 24 August 1994, 13 February 1997, 11 November 1998, 3 December 1998, 13 February 2002, 19 November 2002, 14 August 2006: with effect from 11 September 2006, 13 May 2009: with effect on 14 May 2009).

1.6 This report considers annual reports which were tabled in the Senate or presented to the President of the Senate between 1 November 2008 and 30 April 2009. It includes annual reports submitted to the Minister before 31 October 2008, but tabled after that date and therefore not considered as part of the committee's report *Annual reports (No. 1 of 2009)*.

1.7 The committee examined 13 annual reports of agencies within the Agriculture, Fisheries and Forestry portfolio and four annual reports of agencies within the Infrastructure, Transport, Regional Development and Local Government portfolio, as follows:

- Department of Agriculture, Fisheries and Forestry—Report for 2007-08;
- Australian Fisheries Management Authority—Report for 2007-08;
- Australian Wine and Brandy Corporation—Report for 2007-08;
- Cotton Research and Development Corporation—Report for 2007-08;
- Fisheries Research and Development Corporation—Report for 2007-08;
- Forest and Wood Products Research and Development Corporation—Report for 1 July to 31 August 2007;
- Sugar Research and Development Corporation—Report for 2007-08;
- Australian Pesticides and Veterinary Medicines Authority—Report for 2007-08;
- Export Wheat Commission—Report for 2007-08;
- Australian Landcare Council—Report for 2007-08;
- Australian Livestock Export Corporation (LiveCorp)—Report for 2007-08;
- National Rural Advisory Council—Report for 2006-07;
- National Rural Advisory Council—Report for 2007-08;
- Civil Aviation Safety Authority—Report for 2007-08;
- National Transport Commission—Report for 2007-08;
- Australian Rail Track Corporation Ltd—Report for 2007-08; and
- Australian River Co. Limited—Report for 1 December 2006 to 30 November 2007.

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 10 documents were referred to the committee but have not been examined:

- Australian Livestock Export Corporation Limited—Statutory funding agreement with the Commonwealth for 2007-2010;
- *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 to 31 December 2008;
- Dairy Australia: Delivering for the dairy industry—Report for 2007-08;
- Dairy Australia Limited—Statutory funding agreement with the Commonwealth (Deed dated 18/4/07);
- Airservices Australia—Corporate Plan 2008-2013;
- Airservices Australia National Equity and Diversity Program 2007-2010—Progress Report 2007-08;
- Civil Aviation Safety Authority—Corporate Plan 2008-09 to 2010-11;
- *Sydney Airport Demand Management Act 1997*—quarterly report on the maximum movement limit for the period 1 April to 30 June 2008;
- *Sydney Airport Demand Management Act 1997*—quarterly report on the maximum movement limit for the period 1 July to 30 September 2008; and
- *Sydney Airport Demand Management Act 1997*—quarterly report on the maximum movement limit for the period 1 October to 31 December 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.

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.

1.12 As noted in the committee's report *Annual reports (No. 1 of 2009)*, a number of annual reports were tabled in the Senate after the appropriate deadlines and will be examined in this report.⁴

1.13 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 National Rural Advisory Council (NRAC) Report for 2006-07 which was tabled on 3 February 2009, after NRAC's 2007-08 report and more than 18 months after the end of the reporting period.

1.14 The committee also notes a substantial delay in the tabling of the Australian River Co. Limited (ARCo) Report for 2007. While ARCo's financial year ends on 30 November, its report for 2007 was tabled in the Senate on 25 November 2008, almost 12 months after the end of the reporting period.

1.15 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.⁵

Comments on reports

1.16 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.

1.17 The committee considers that the reports examined are generally 'apparently satisfactory', although some do not comprehensively address all of their legislative requirements. While any divergence from these requirements is mostly minor in nature, the committee encourages agencies to pay particular attention to the matters discussed below.

Aids to Access: Indexes

Alphabetical indexes

1.18 Under subsection 8(2) of the Requirements for Annual Reports, all annual reports are required to incorporate aids to access, including alphabetical indexes.⁶ The

4 Senate Standing Committee on Rural and Regional Affairs and Transport, *Annual reports (No. 1 of 2009)*, March 2009, p. 4.

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

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

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 Forest and Wood Products Research and Development Corporation (FWPRDC) and the National Transport Commission (NTC) would benefit from including an alphabetical index. The committee also notes that the Australian Rail Track Corporation Limited (ARTC) *Annual Report 2008* no longer includes an alphabetical index.

Compliance indexes

1.19 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.⁷ 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.

1.20 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.

1.21 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 indexes of the Australian Fisheries Management Authority (AFMA), the Cotton Research and Development Corporation (CRDC), and the Export Wheat Commission (EWC) annual reports were 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.

1.22 The committee is disappointed that despite comments made in its previous reports, the FWPRDC, the NTC and the ARTC again failed to include compliance indexes in their annual reports.⁸ Consequently the committee found it difficult to determine whether these reports complied with a number of relevant requirements.

7 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; *Annual reports (No. 2 of 2008)*, p. 6; and *Annual reports (No. 1 of 2009)*, p. 6.

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. 6; *Annual reports (No. 2 of 2007)*, p. 6; *Annual reports (No. 1 of 2008)*, p. 6; and *Annual reports (No. 2 of 2008)*, pp 6–7.

Report on performance

1.23 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.⁹

Legislative requirements for Commonwealth authorities

1.24 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:¹⁰

- *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.

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

1.26 The committee reminds agencies that they are required to report on all five requirements under subsection 516A(6) of the EPBC Act. Several agencies failed to include information required under paragraphs 516(6)(c) and (e) of the EPBC Act, in relation to documenting the effect of activities on the environment and mechanisms for reviewing and improving these measures. The committee encourages agencies to address these requirements in more detail in future.

1.27 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 AFMA, the Civil Aviation Safety Authority (CASA) and the Department of Agriculture, Fisheries and Forestry (DAFF) addressed the FOI requirements comprehensively.

1.28 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

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

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

the DAFF annual report provides a good example of how this requirement should be addressed.

Commonwealth Disability Strategy

1.29 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.¹¹ The committee again observed significant variation in the level of detail provided regarding compliance with the Strategy. The committee strongly encourages agencies to assess compliance in accordance with the recommended guide in future reports.

Consultancy contracts and competitive tendering and contracting

1.30 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.¹² 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.

1.31 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.

1.32 The committee commends the EWC for fully complying with this requirement and providing information on consultancy services in accordance with the mandatory proforma.

Fraud Control Certification

1.33 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

11 *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>.

12 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.

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.¹³

1.34 The committee encourages agency heads to make a specific certification in keeping with the guidelines. The committee highlights the Australian Wine and Brandy Corporation (AWBC) and DAFF annual reports as examples of how to fully comply with this requirement.

Consistency of reporting documents

1.35 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.¹⁴

1.36 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.

1.37 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.

1.38 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.¹⁵ In addition, agencies are encouraged to provide information on expenditure by outcome/output in a form that is comparable with budget documentation.

13 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.

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

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

Senate remarks on annual reports

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

Comment on significant matters

1.40 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.

1.41 In Chapter 2, the committee has considered the annual report of the Department of Agriculture, Fisheries and Forestry.

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

- Australian Fisheries Management Authority;
- Australian Wine and Brandy Corporation;
- Cotton Research and Development Corporation;
- Fisheries Research and Development Corporation;
- Forest and Wood Products Research and Development Corporation;
- Sugar Research and Development Corporation;
- Australian Pesticides and Veterinary Medicines Authority;
- Export Wheat Commission;
- Civil Aviation Safety Authority;
- National Transport Commission; and
- Australian Rail Track Corporation Ltd.

Chapter 2

Annual reports of departments

Department of Agriculture, Fisheries and Forestry

2.1 The Department of Agriculture, Fisheries and Forestry (DAFF) *Annual Report 2007-08* was prepared in accordance with section 63 of the *Public Service Act 1999*. The committee notes the Senate's receipt of this report on 11 November 2008.

2.2 The report is presented in accordance with the checklist of requirements specified in the Department of Prime Minister and Cabinet's *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, June 2008 (Requirements for Annual Reports).

2.3 DAFF's *Annual Report 2007-08* contains the following information:

- the secretary's yearly review highlighting the achievements of the department and future outlook;
- a departmental overview outlining DAFF's operations and organisational structure;
- report on performance as measured against performance indicators specified in the Portfolio Budget Statements (PBS);
- an overview of the department's management and accountability arrangements, including corporate governance practices, human resource management, internal and external scrutiny, reviews and evaluations, and purchasing; and
- appendices detailing workforce statistics, occupational health and safety, compliance with the Commonwealth Disability Strategy, environmental performance, freedom of information requests, discretionary grants, and advertising and market research.

2.4 The committee considers that DAFF has provided a comprehensive review of its performance for 2007-08. Its report is clear, well presented and easy to navigate.

Departmental overview

2.5 The secretary reported that:

The 2007-08 financial year was one of transition and change for the department's staff. The new Australian Government took office, with new policies, programs and emphases. The nation's agriculture, fishing and

forestry industries faced challenges ranging from continued drought and water shortages to emergency animal disease outbreaks.¹

2.6 On 16 June 2008, the department's structure was changed to better reflect the government's priorities for the portfolio.²

2.7 The committee notes the following items of significance for DAFF during 2007-08:

- continued provision of drought related assistance to farmers through the Exceptional Circumstances (EC) programs. In April 2008, the government announced a comprehensive national review to improve Australia's drought policy;
- introduction of several new drought related programs, including:
 - a new EC Exit Grant in September 2007, for farmers in EC-declared areas who want to leave the industry;
 - the Transitional Income Support Program in June 2008, to assist farming families who are recovering from drought and in serious financial difficulty to adapt to changing circumstances, including climate change;
- continued implementation of measures to help the agricultural industry, including irrigators, respond to the drought and reduced water availability. More than 7800 grants of up to \$20,000 were provided to irrigators in the Murray-Darling Basin for improvements in water efficiency, totalling over \$144.8 million;
- implementation of reforms to Australia's wheat marketing arrangements, to introduce more competition and choice;
- work to gain, maintain and improve market access for Australian products through existing free trade agreements (FTAs), negotiations for new FTAs, and negotiations for the World Trade Organization (WTO) Doha Round;
- work on a challenge in the WTO by New Zealand against Australia's quarantine measures for New Zealand apples. The WTO's panel is expected to make its findings in the second half of 2009;
- coordination of the response to the equine influenza outbreak in August 2007, with eradication of the disease by the end of June 2008. The department was also responsible for implementing the recommendations of the independent Equine Influenza Commission of Inquiry in relation to improving Australia's quarantine system for importation of horses;

1 Department of Agriculture, Fisheries and Forestry, *Annual Report 2007-08*, p. 1.

2 Department of Agriculture, Fisheries and Forestry, *Annual Report 2007-08*, p. 204. For details of the department's previous and current organisational structure see pp 13–14.

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- announcement in February 2008 of a broad-ranging quarantine and biosecurity review (the Beale Review); and
 - engagement with the Department of Climate Change in developing the government's Green Paper in relation to the Carbon Pollution Reduction Scheme (CPRS).³

2.8 DAFF's priorities for 2008-09 include: national review of drought policy; continuing liaison with industry stakeholders on the CPRS; administration of programs announced under the new *Australia's Farming Future* package; and managing the new *Caring for our Country* initiative.⁴

Report on performance

2.9 DAFF has measured its performance against performance indicators specified in the 2007-08 PBS. A helpful overview of DAFF's performance framework is provided at the beginning of the report on performance.⁵

2.10 This is a comprehensive section of the report containing detailed and useful information. The committee particularly noted the following items:

- All of the major activities of the Sugar Industry Reform Program have now been completed. A small number of projects under the Regional and Community Projects component are yet to be finalised because flooding in some areas prevented work being completed on time. Those projects will be completed by the end of 2008.⁶
- The department continued to work with the Dairy Adjustment Authority (DAA) and Dairy Australia Limited on arrangements for terminating the levy and winding up the Dairy Industry Adjustment Package. The DAA's independent internal auditor found the transition process to be timely and comprehensive. The final quarterly payment to eligible dairy farmers was made in April 2008. DAFF is working to finalise wind-up arrangements in 2009. As part of the process, the secretary of the department became the sole member of the DAA from 1 July 2008.⁷
- The department released the Commonwealth Fisheries Harvest Strategy policy in September 2007. The policy provides a framework for the management of commercial fish species for long-term biological

3 Department of Agriculture, Fisheries and Forestry, *Annual Report 2007-08*, pp 1–5 and 16.

4 Department of Agriculture, Fisheries and Forestry, *Annual Report 2007-08*, pp 1 and 4–5.

5 Department of Agriculture, Fisheries and Forestry, *Annual Report 2007-08*, pp 26–27.

6 Department of Agriculture, Fisheries and Forestry, *Annual Report 2007-08*, pp 74, 75–76 and 94.

7 Department of Agriculture, Fisheries and Forestry, *Annual Report 2007-08*, pp 76 and 90.

sustainability and economic profitability. In line with the policy, AFMA has developed harvest strategies for all relevant fisheries.⁸

- The department completed final funding rounds for the *Securing our Fishing Future* structural adjustment package. This included \$17.9 million allocated in 2007-08 under the Fishing Community Assistance Grants program, to generate employment and economic activity in coastal communities affected by reductions in fishing activity. Funding was also provided under the Onshore Business Assistance program, to help onshore businesses adjust to reductions in fishing activity. In total, 33 business received over \$2.5 million to exit from the onshore fishing sector and 64 businesses received over \$10.25 million to develop their enterprises. These projects are expected to be completed by the end of 2008-09.⁹
- Changes to the import risk analysis (IRA) process were implemented in September 2007 when new regulations came into effect. The changes increase the transparency of the IRA process, impose a regulated timeline on the conduct of an IRA, increase opportunities for consultation and allow for more extensive scientific scrutiny of IRAs. In March 2008, six IRAs commenced under the new IRA process.¹⁰

Management and accountability

2.11 DAFF reported that legislative amendments and changed accountability arrangements in response to the Uhrig Review have largely been completed. The portfolio agencies affected by the changes are as follows:

- Australian Pesticides and Veterinary Medicines Authority;
- Forest and Wood Products Research and Development Corporation;
- Export Wheat Commission; and
- Australian Fisheries Management Authority.¹¹

2.12 Three major ANAO performance audits relating to DAFF's activities were tabled during 2007-08. These reports are discussed below.

2.13 The ANAO Audit Report No. 6 of 2007-08, *Australia's Preparedness for a Human Influenza Pandemic*, focussed on DAFF and the Department of Health and Ageing, as it covered human and animal health components. The audit included an assessment of action taken by DAFF to implement the recommendations from

8 Department of Agriculture, Fisheries and Forestry, *Annual Report 2007-08*, pp 82 and 92.

9 Department of Agriculture, Fisheries and Forestry, *Annual Report 2007-08*, pp 82–83 and 90–91.

10 Department of Agriculture, Fisheries and Forestry, *Annual Report 2007-08*, pp 193 and 195.

11 Department of Agriculture, Fisheries and Forestry, *Annual Report 2007-08*, pp 3 and 216.

Exercise Eleusis, which tested the response arrangements for avian influenza. While the ANAO found that DAFF had made considerable progress in implementing the recommendations from this exercise, it recommended that DAFF and Animal Health Australia (AHA) review a number of issues in relation to the Australian Veterinary Emergency Plan (AUSVETPLAN). Both DAFF and AHA have agreed to the recommendation and a review has been completed.¹²

2.14 The ANAO Audit Report No. 21 of 2007-08, *Regional Delivery Model for the National Heritage Trust and the National Action Plan for Salinity and Water Quality*, focussed on DAFF and the Department of Environment, Water, Heritage and the Arts, which jointly administer these programs. The ANAO found that progress in implementing improvements in administration since previous audits had been 'comprehensive and well focused on significant risks'. However, the ANAO identified several areas where administration still needs to be strengthened. The ANAO also noted that information in the DAFF and National Heritage Trust annual reports was insufficient to make an informed judgement on the progress of programs against outcomes. Both departments have agreed to all four recommendations.¹³

2.15 The ANAO Audit Report No. 26 of 2007-08, *Tasmanian Forest Industry Development and Assistance Programs*, found that DAFF had developed a sound framework for assessing and approving applications for these programs, however, in practice, not all processes and procedures were followed by the department when assessing and recommending applications to the Minister for funding. The ANAO also noted that DAFF did not fully report against all outcome indicators in its *Annual Report 2006-07*. The ANAO made three recommendations which DAFF has accepted.¹⁴

2.16 The committee notes that, after including increased expenses associated with a range of activities, including drought support, quarantine and equine influenza, and costs of the move to new accommodation, DAFF generated an operating surplus of \$0.73 million in 2007-08. In 2006-07, DAFF reported an operating deficit of \$14.24 million.¹⁵

12 Australian National Audit Office (ANAO), *Australia's Preparedness for a Human Influenza Pandemic*, Audit Report No. 6, 2007-08, pp 18, 20 and 30. See also Department of Agriculture, Fisheries and Forestry, *Annual Report 2007-08*, pp 238–240.

13 Australian National Audit Office (ANAO), *Regional Delivery Model for the National Heritage Trust and the National Action Plan for Salinity and Water Quality*, Audit Report No. 21, 2007-08, pp 15–16, 24 and 27–29.

14 Australian National Audit Office (ANAO), *Tasmanian Forest Industry Development and Assistance Programs*, Audit Report No. 26, 2007-08, pp 15, 17, and 29–30.

15 Department of Agriculture, Fisheries and Forestry, *Annual Report 2007-08*, p. 256.

Conclusion

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

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

Australian Fisheries Management Authority

3.2 The committee is pleased to note that following comments made in its report *Annual reports (No. 2 of 2008)*, AFMA has amended the directors' certification contained in its transmittal letter. This certification now includes a statement that directors are responsible for the preparation and content of the report under section 9 of the CAC Act, as specified in paragraph 4(1)(d) of the CAC Orders.

3.3 Once again, 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.¹ 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 the report and the names of any other responsible ministers during the period covered by the report.

3.4 Overall, the committee commends AFMA for providing a comprehensive review of its performance for 2007-08, including AFMA's progress in implementing the December 2005 Ministerial Direction to end overfishing.

3.5 As part of its response to the Ministerial Direction in 2007-08, AFMA developed harvest strategies for all Commonwealth fisheries in line with the *Commonwealth Harvest Strategy Policy and Guidelines* released in September 2007. The majority of fisheries have implemented their harvest strategies and AFMA has established a Harvest Strategy Policy Advisory Committee to provide policy advice and guidance.²

3.6 The committee notes that the remaining challenges for AFMA in implementing the Ministerial Direction include 'resource sharing between recreational

1 Australian Fisheries Management Authority, *Annual Report 2007-08*, pp 4 and 9. See also Senate Standing Committee on Rural and Regional Affairs and Transport, *Annual reports (No. 2 of 2008)*, November 2008, p. 12.

2 Australian Fisheries Management Authority, *Annual Report 2007-08*, pp 12–13.

and commercial fisheries, and resolution of Offshore Constitutional Settlements between the States and Territories and the Commonwealth'.³

3.7 The committee notes that on 1 July 2008, AFMA changed from a statutory authority under the CAC Act to a commission of the same name under the FMA Act. The major impacts of this change are as follows:

- the AFMA Board was replaced by a commission with responsibility for domestic fisheries management;
- the Managing Director was replaced by a Chief Executive who is responsible for foreign fishing compliance, finance and human resources;
- AFMA's staff became subject to the *Public Service Act 1999*; and
- a number of changes were made to AFMA's financial arrangements.⁴

Australian Wine and Brandy Corporation

3.8 The committee commends the AWBC for certifying its compliance with the Commonwealth Fraud Control Guidelines in the prescribed manner, as outlined in paragraphs 1.33 and 1.34.

3.9 The committee notes that the AWBC has included a very brief general statement about the Commonwealth Disability Strategy, however, there was no assessment of its performance in implementing the strategy (as outlined in paragraph 1.29). The committee encourages the AWBC to include this information in upcoming reports. Similarly, the AWBC's reporting under the EPBC Act could also be addressed in more detail in future.

3.10 The committee notes the release of the industry strategy 'Wine Australia: Directions to 2025' in late 2007. One of its recommendations led to a review of wine industry national organisational structures. Following this review, the Winemakers' Federation of Australia (WFA) has decided to further investigate a proposal to establish an industry owned service body to undertake many of the functions currently undertaken by the AWBC and the WFA.⁵

3.11 The AWBC reported that it had achieved an operating surplus of \$7,000 for 2007-08, \$17,000 less than the budgeted surplus of \$24,000 in the PBS. The AWBC observed that 2007-08 was a difficult year as it endeavoured to implement the recommendations of the new industry strategy 'in an environment where revenue was

3 Australian Fisheries Management Authority, *Annual Report 2007-08*, p. 12.

4 Australian Fisheries Management Authority, *Annual Report 2007-08*, p. 70.

5 Australian Wine and Brandy Corporation, *Annual Report 2007-08*, p. 4.

adversely impacted by the smaller 2007 vintage, the decline in the value of wine exports and difficult trading conditions experienced by the wine sector'.⁶

Cotton Research and Development Corporation

3.12 Once again, the committee commends the CRDC on a clear, concise and generally well constructed report. The compliance index was accurate, detailed and easy to follow, with separate sections for compliance under the CAC Act and the *Primary Industries and Energy Research and Development Act 1989* (PIERD Act). This greatly assisted the committee in determining whether reporting requirements had been met.

3.13 The committee notes that 2007-08 was the concluding year of the CRDC 2003-2008 Strategic R&D plan. The CRDC indicated that of the '16 triple-bottom-line industry targets that were established, 14 were effectively met and only two were partially met'.⁷

3.14 The committee notes that the CRDC's final expenditure on outputs was \$10.46 million, in line with the estimates in the Portfolio Budget Statements for 2007–08.⁸ The CRDC reported that revenue for the year was \$6.96 million, five percent lower than the budgeted income of \$7.30 million and 39.5 percent lower than the 2006-07 total of \$11.51 million. As the 2007-08 growing season was badly affected by drought, the estimated actual crop size was 550,000 bales, significantly less than the forecast production of 1.0 million bales.⁹

Fisheries Research and Development Corporation

3.15 While the committee observes that the FRDC has included more entries in its compliance index this year, its list of reporting requirements was still incomplete and not easy to follow. The committee encourages the FRDC to more closely align its compliance index with the reporting requirements as set out in the CAC Act, the CAC Orders and the PIERD Act.

3.16 The committee is pleased to note that, following the committee's previous comments, the FRDC has included details relating to significant acquisitions or dispositions of real property during the financial year.¹⁰

6 Australian Wine and Brandy Corporation, *Annual Report 2007-08*, p. 29.

7 Cotton Research and Development Corporation, *Annual Report 2007-08*, p. 4. See also pp 7 and 10 for details of targets that were partially met.

8 Cotton Research and Development Corporation, *Annual Report 2007-08*, pp 13 and 14. See also *Portfolio Budget Statements 2007–08, Agriculture, Fisheries and Forestry Portfolio*, p. 182.

9 Cotton Research and Development Corporation, *Annual Report 2007-08*, p. 12.

10 Senate Standing Committee on Rural and Regional Affairs and Transport, *Annual reports (No. 1 of 2008)*, March 2008, p. 21.

3.17 The committee notes that in the FRDC's previous reports for 2004-05, 2005-06 and 2006-07, the FRDC fulfilled its reporting requirements under the FOI Act. However, the committee was disappointed to note that in the FRDC's annual report for 2007-08, readers are referred to the FRDC's website for details of its FOI Act reporting obligations. The committee emphasises that information required under subsection 8(1) of the FOI Act must be included in the body of the annual report, and encourages the FRDC to comply with this requirement in future reports.

3.18 In a previous report, the committee noted that the FRDC had introduced a new funding framework in 2006-07 to provide greater flexibility to meet stakeholder needs. In its 2007-08 report, the FRDC indicated that:

The changes did not come without problems and considerable time and resources were employed to explain the new system to stakeholders. The framework resulted in a more explicit policy focus on how and what the FRDC funds.¹¹

3.19 The FRDC reported that 'the election of a new Federal Government has seen a heightened focus on primary industries and climate change, food security and productivity'. This has resulted in the FRDC developing a climate change program and the development of the Seafood Trade and Market Access Form in partnership with Seafood Services Australia and the Seafood Cooperative Research Centre.¹²

3.20 The committee notes that Recfishing Research, an initiative of FRDC and Recfish Australia, began in July 2007. Its purpose is 'to target investment and the return on investment in recreational fishing research, development and extension on a national scale'. National priorities have been established and refined in consultation with key stakeholders.¹³

Forest and Wood Products Research and Development Corporation

3.21 The committee notes that the FWPRDC has once again failed to include a compliance index or an alphabetical index in its annual report and has not properly dated its letter of transmittal, as required under the CAC Orders.

3.22 The committee notes that on 3 September 2007, the FWPRDC was succeeded by Forest and Wood Products Australia Ltd (FWPAL), an industry-owned company operating under the *Corporations Act 2001*. This report covers the period from 1 July to 31 August 2007 and finalises the activities of the FWPRDC.¹⁴

11 Fisheries Research and Development Corporation, *Annual Report 2007-08*, p. 7.

12 Fisheries Research and Development Corporation, *Annual Report 2007-08*, p. 7.

13 Fisheries Research and Development Corporation, *Annual Report 2007-08*, p. 8.

14 Forest and Wood Products Research and Development Corporation, *Annual Report 1 July to 31 August 2007*, pp 1, 9 and 43-44.

3.23 The FWPRDC reported that during these two months, only a small number of projects were completed or initiated. In addition, preparatory work for the transition to FWPAL was undertaken, including finalising of agreements and completing and lodging of documents for incorporation of the new entity. FWPAL assumed all the liabilities and assets of the FWPRDC from 3 September 2007.¹⁵

Sugar Research and Development Corporation

3.24 The committee reminds the SRDC that its annual report would benefit from a more comprehensive compliance index, with separate sections for compliance under the CAC Act and the PIERD Act.

3.25 The committee notes that the SRDC's income for the year was higher than forecast. The budget forecast was \$11.196 million but actual income amounted to \$12.158 million. This was primarily due to 'the receipt of \$1 million of Regional and Community Projects (RCP) funds from the Sugar Industry Reform Program for R&D to accelerate the delivery of improved sugarcane varieties'.¹⁶ Project expenditure of those funds will commence from July 2008. Industry levies and government matching income were slightly below forecast due to reduced crop size, and other income (interest and royalties) was above forecast.¹⁷

3.26 The SRDC indicated that expenditure on operations and R&D projects was \$11.093 million, lower than the forecast of \$13.063 million. Reduced project expenditure was due to delayed commencement of some new projects, delays in some milestones until 2008-09, and early conclusion of some projects. Operational expenditure was slightly below forecast due to staffing changes.¹⁸

Prescribed agencies

Australian Pesticides and Veterinary Medicines Authority

3.27 The committee notes that on 1 July 2007, the APVMA changed from a statutory authority under the CAC Act to an authority administered under the FMA Act. While the APVMA's powers and functions remain unchanged, a number of changes were made to the APVMA's governance arrangements. The Board of Directors was replaced by a chief executive officer (CEO), and a new advisory board, consisting of up to nine part-time members, was created to provide advice and make

15 Forest and Wood Products Research and Development Corporation, *Annual Report 1 July to 31 August 2007*, p. 9.

16 Sugar Research and Development Corporation, *Annual Report 2007-08*, p. 13.

17 Sugar Research and Development Corporation, *Annual Report 2007-08*, p. 13.

18 Sugar Research and Development Corporation, *Annual Report 2007-08*, p. 13.

recommendations to the CEO. APVMA staff are now subject to the *Public Service Act 1999*.¹⁹

3.28 In August 2007, the APVMA was restructured to align 'management responsibility and resource allocation with the new executive model of governance'.²⁰

3.29 While the APVMA's report contained a compliance index, the committee found it was difficult to follow, did not address all of the reporting requirements under the FMA Act, and included some items which are relevant under the CAC Act, but are not part of the checklist of requirements under the FMA Act. In addition, some of the page references were inaccurate. The committee encourages the APVMA to more closely align its compliance index with the checklist of requirements, as set out in the Requirements for Annual Reports.²¹

3.30 Further, the committee notes that the compliance index for the APVMA's enabling legislation did not follow the new reporting requirements set out in Section 61 of the *Agricultural and Veterinary Chemicals (Administration) Act 1992*, which apply from the 2007-08 financial year onwards.²²

3.31 The committee reminds the APVMA that it is required to date its transmittal letter, as specified in the Requirements for Annual Reports.²³

3.32 The committee notes that the compliance index for 'summary resource tables by outcomes' referred to a number of tables providing information on performance against outputs, however, none of these tables contained financial information by outcomes, as specified in the Requirements for Annual Reports.²⁴

3.33 The APVMA is commended for complying with the requirement to complete a mandatory proforma listing each individual consultancy to the value of \$10,000 or more. However, the committee observes that the summary statement on consultancies was not in accordance with the guidelines set out in the Requirements for Annual Reports. It contained a single statement about expenditure and number of contracts

19 Australian Pesticides and Veterinary Medicines Authority, *Annual Report 2007-08*, pp 2, 51–52 and 86.

20 Australian Pesticides and Veterinary Medicines Authority, *Annual Report 2007-08*, p. 2.

21 See 'Checklist of Requirements' in Department of Prime Minister and Cabinet, *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, June 2008, pp 30–32.

22 *Agricultural and Veterinary Chemicals (Administration) Act 1992*, Section 61. See also Table A, Section 14 of the notes to this Act.

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

24 Department of Prime Minister and Cabinet, *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, June 2008, pp 7 and 29.

awarded, however, separate details on the number of new and ongoing consultancies, and the total expenditure on both of these categories must be provided.²⁵

3.34 The committee is pleased to note that, following the committee's comments in an earlier report, the APVMA has included a correction to its 2006-07 annual report. The APVMA has included a statement about expenditure on advertising and market research, indicating that no amounts over \$10,000 were paid under this category during 2006-07.²⁶

Export Wheat Commission

3.35 The committee notes that this is the first report of the EWC, covering the period 1 October 2007 to 30 June 2008. In line with the recommendations of the Uhrig Review and following changes to the *Wheat Marketing Act 1989*, the EWC replaced the Wheat Export Authority from 1 October 2007. The EWC is a statutory commission under the FMA Act. The committee notes that the EWC was replaced by a new body, Wheat Exports Australia (WEA), on 1 July 2008.

3.36 Overall the committee found the EWC's report to be informative and well presented. The report contained a detailed and useful compliance index which aided the committee in its assessment of the report.

3.37 The committee commends the EWC for fully complying with the requirements relating to consultancy contracts and competitive tendering. As well as the summary statements for new and ongoing consultancies, a listing of individual consultancies was provided in accordance with the mandatory proforma set out in the Requirements for Annual Reports.²⁷

3.38 In addition, the EWC's reporting on OH&S, and under section 311A of the *Commonwealth Electoral Act 1918* in relation to advertising and market research was particularly good.

3.39 The committee notes that the EWC has included a brief general statement about the Commonwealth Disability Strategy, however, there was no assessment of its performance in implementing the strategy (as outlined in paragraph 1.29). Instead, readers are referred to a web link for the Australian Public Service Commission's (APSC's) State of the Service Report, with the EWC indicating that it had reported on

25 Department of Prime Minister and Cabinet, *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, June 2008, p. 11.

26 Senate Standing Committee on Rural and Regional Affairs and Transport, *Annual reports (No. 1 of 2008)*, March 2008, p. 20.

27 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.

its performance to the APSC through this report. The EWC is reminded that this information must be included in its annual report.²⁸

3.40 The EWC's reporting under the FOI Act did not contain information about arrangements that exist for others to participate in the agency's policy formulation process. The committee notes that various details on its consultation processes were provided elsewhere in the text under 'Communicating Results and Seeking Feedback' and 'Stakeholder Relations' but were not cross-referenced in the compliance index or the FOI appendix.

3.41 The committee notes that the compliance index for 'Summary resource tables by outcomes' referred to a number of tables providing information on performance against targets, however, none of these tables contained financial information by outcomes, as specified in the Requirements for Annual Reports.²⁹

3.42 The EWC reported that 'the past year has seen the greatest series of changes in Australia's wheat marketing arrangements since World War II'. The change of government in November 2007 led to reform of Australia's wheat marketing arrangements towards the liberalisation of bulk exports. The EWC undertook considerable preliminary work on new governance and other arrangements in the lead-up to the establishment of a new body, Wheat Exports Australia. In June 2008, legislation was passed to reform the export of wheat in bulk, ending the wheat export monopoly arrangements held by AWBI since privatisation of the Australian Wheat Board in 1999.³⁰

3.43 The committee notes that the drought had a severe impact on the EWC's income, which was mainly based on the Wheat Export Charge (WEC), levied on the volume of wheat exports. During 2007-08 the EWC used funding from the Government, provided as a grant to the Wheat Export Authority in the previous financial year, to cover the costs of transition and ongoing operational costs. These funds were also drawn on to cover the transition to Wheat Exports Australia.³¹

28 Department of Prime Minister and Cabinet, *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, June 2008, p. 13.

29 Department of Prime Minister and Cabinet, *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, June 2008, pp 7 and 29.

30 Export Wheat Commission, *Annual Report 2007-08*, pp 12–13.

31 Export Wheat Commission, *Annual Report 2007-08*, p. 15.

Infrastructure, Transport, Regional Development and Local Government portfolio

Commonwealth authorities

Civil Aviation Safety Authority

3.44 The committee considers that CASA has once again fulfilled its reporting requirements to a high standard. CASA has provided a comprehensive review of its functions, activities and outcomes for 2007-08 and its report is clear and well structured. The committee notes that CASA's reporting under the FOI, OH&S and Commonwealth Electoral Acts was particularly thorough.

3.45 The committee is pleased to note that, following the committee's previous comments, CASA's transmittal letter has been provided in a larger format that is easier to read.³² However, the committee was disappointed that CASA's report no longer contains a certification of its compliance with the Commonwealth Fraud Control Guidelines, as outlined in paragraphs 1.33 and 1.34.

3.46 CASA reported that its three major undertakings for the year have gone through the development phase and are being implemented. These are:

- the Aviation Safety Oversight Program to define how individual staff do their work with airlines and operators;
- adjustments to CASA's organisational groups to facilitate their dealings with industry; and
- the Workforce Capability Framework to enable CASA to better define and put in place the skills to deliver operational and support functions.³³

3.47 The committee also notes the following items of significance for CASA:

- development of regulations for the alcohol and other drugs testing program during 2007–08 which came into effect on September 2008. An educational campaign for industry has commenced, along with commissioning of a Virtual Resource Centre, appointment of an independent testing provider for random testing, and training of medical review officers;³⁴
- successful transfer of responsibility for regulating and administering Australia's airspace from Airservices Australia to CASA on 1 July 2007;³⁵

32 Senate Standing Committee on Rural and Regional Affairs and Transport, *Annual reports (No. 2 of 2008)*, November 2008, p. 15.

33 Civil Aviation Safety Authority, *Annual Report 2007-08*, pp 3 and 9.

34 Civil Aviation Safety Authority, *Annual Report 2007-08*, pp 8 and 45.

35 Civil Aviation Safety Authority, *Annual Report 2007-08*, p. 8.

- an above average result in the International Civil Aviation Organization audit of Australia's safety oversight capabilities in February 2008, particularly in relation to CASA's risk-based surveillance approach, airworthiness directives, defect-reporting system and safety promotion campaigns;³⁶ and
- announcement of the government's intention to appoint a Board for the future governance of CASA, which is likely to be in place during 2009.³⁷

National Transport Commission

3.48 In its previous reports the committee noted that while the NTC is not a Commonwealth authority for the purposes of the CAC Act, the NTC's enabling legislation states that certain sections of the CAC Act apply to it, including section 9 relating to annual reporting requirements. Under Schedule 1 of the CAC Act, an agency's annual report must include a report of operations prepared in accordance with the CAC Orders.³⁸ The committee is concerned that the NTC has once again failed to address the majority of requirements under the CAC Orders.

3.49 The committee is disappointed that despite comments in its previous reports the NTC has again failed to include a compliance index or an alphabetical index.³⁹ The committee calls the NTC's attention to subsection 6(1) of the CAC Orders which clearly states that reports 'must be constructed having regard to the interests of users'.

3.50 The committee notes that the NTC's *Annual Report 2008* was again an A4 size document. The NTC is reminded that the *Printing standards for documents presented to Parliament* clearly state that all documents to be presented to Parliament must be printed in international B5 size.⁴⁰

Commonwealth companies

Australian Rail Track Corporation

3.51 The committee is pleased to note that, following the committee's previous comments, the ARTC has included information in the director's report section of its *Annual Report 2008* on the following:

36 Civil Aviation Safety Authority, *Annual Report 2007-08*, pp 5, 8 and 61.

37 Civil Aviation Safety Authority, *Annual Report 2007-08*, p. 5.

38 Senate Rural and Regional Affairs and Transport Committee, *Annual reports (No. 1 of 2006)*, p. 4; *Annual reports (No. 1 of 2007)*, pp 8–9; and *Annual reports (No. 2 of 2008)*, p. 16.

39 Senate Rural and Regional Affairs and Transport Committee, *Annual reports (No. 1 of 2006)*, p. 4; *Annual reports (No. 1 of 2007)*, p. 6; and *Annual reports (No. 2 of 2008)*, p. 16.

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

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- events since the end of the financial year which may affect the corporation's operations; and
 - dividends or distributions paid during the year.⁴¹

3.52 The committee notes that the ARTC annual report no longer contains an alphabetical index. The ARTC is reminded that its annual report would benefit from the inclusion of both an alphabetical and compliance index. The committee also encourages the ARTC to comply with the *Printing standards for documents presented to Parliament* which specify that all documents to be presented to Parliament must be printed in international B5 size.⁴²

Senator Glenn Sterle
Chair

41 As required under the *Corporations Act 2001*, ss. 299(1)(d) and 300 (1)(a) and (b). See also Senate Standing Committee on Rural and Regional Affairs and Transport, *Annual reports (No. 2 of 2008)*, November 2008, p. 17.

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

Appendix 1

List of annual reports referred to the committee during the period 1 November 2008 to 30 April 2009

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

	Legislation	Letter of transmittal date	Date Sent to Minister	Date received by Minister	Tabling date*
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)
<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	10/02/09
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
<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 to 31 December 2008	<i>Australian Meat and Live-stock Industry Act 1997</i>	n/a	4/02/09	20/02/09	11/03/09

	Legislation	Letter of transmittal date	Date Sent to Minister	Date received by Minister	Tabling date*
Dairy Australia: Delivering for the Dairy Industry— 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)
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
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

* 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*
<i>Statutory authorities</i>					
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)
<i>Companies</i>					
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
<i>Other</i>					
Airservices Australia—Corporate Plan 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 2007-10—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
<i>Sydney Airport Demand Management Act 1997—</i> quarterly report on the maximum movement limit for the period 1 October to 31 December 2008	<i>Sydney Airport Demand Management Act 1997</i>	n/a	3/02/09	5/02/09	17/03/09

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

