

The Senate

Rural and Regional
Affairs and Transport
Legislation Committee

Annual reports (No. 1 of 2010)

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List of Abbreviations

AFMA	Australian Fisheries Management Authority
ANAO	Australian National Audit Office
APSC	Australian Public Service Commission
APVMA	Australian Pesticides and Veterinary Medicines Authority
AQIS	Australian Quarantine and Inspection Service
ATSB	Australian Transport Safety Bureau
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
DAA	Dairy Adjustment Authority
DAFF	Department of Agriculture, Fisheries and Forestry
DEWHA	Department of the Environment, Water, Heritage and the Arts
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>
Infrastructure	Department of Infrastructure, Transport, Regional Development and Local Government
IUU	Illegal, unreported and unregulated fishing

MERI	Monitoring, evaluation, reporting and improvement strategy
NRM	Natural resource management
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
Requirements for Annual Reports	<i>Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies</i>
Strategy	Commonwealth Disability Strategy
WEA	Wheat Exports Australia (from 1 July 2008)

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 2009 and approved by the Joint Committee of Public Accounts and Audit on 17 June 2009;
- 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 11 March 2010. 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 *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 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 May 2009 and 31 October 2009.

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

- Department of Agriculture, Fisheries and Forestry—Report for 2008-09;
- Australian Wine and Brandy Corporation—Report for 2008-09;
- Australian Pesticides and Veterinary Medicines Authority—Report for 2008-09;
- Wheat Exports Australia—Report for 2008-09;
- Northern Territory Fisheries Joint Authority—Report for 2006-07;
- Queensland Fisheries Joint Authority—Report for 2005-06;
- Torres Strait Protected Zone Joint Authority—Report for 2006-07;
- Western Australian Fisheries Joint Authority—Report for 2004-05;
- Department of Infrastructure, Transport, Regional Development and Local Government—Report for 2008-09;
- Airservices Australia—Report for 2008-09;
- Civil Aviation Safety Authority—Report for 2008-09;
- National Transport Commission—Report for 2008-09;
- Australian River Co. Limited—Report for 1 December 2007 to 30 November 2008; and
- International Air Services Commission—Report for 2008-09.

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

- *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 2009;
- *Australian Meat and Live-stock Industry Act 1997*—Report to Parliament in relation to statutory funding agreement with the Australian Livestock Export Corporation Limited (LiveCorp)—Report for 2007-08;

- Dairy Australia Limited—Deed of variation to statutory funding agreement with the Commonwealth (Deed dated September 2009);
- *Dairy Produce Act 1986*— Report to Parliament in relation to statutory funding agreement with Dairy Australia Limited—Report for 2007-08;
- Regional Forest Agreement for the Eden Region of New South Wales – Progress on the implementation of the Regional Forest Agreement for the Eden Region—Report for 2004-05;
- Regional Forest Agreement for the North East Region of New South Wales (Upper North East and Lower North East Regions) – Progress on the implementation of the Regional Forest Agreement for the North East Region—Report for 2004-05;
- Regional Forest Agreement for the Southern Region of New South Wales – Progress on the implementation of the Regional Forest Agreement for the Southern Region—Report for 2004-05;
- Regional Forest Agreement for the Southern Region of New South Wales – Progress on the implementation of the Regional Forest Agreement for the Southern Region—Report for 2005-06;
- Airservices Australia—Corporate Plan 2009-2014;
- Australian Rail Track Corporation Ltd—Statement of corporate intent 2009-10;
- *Local Government (Financial Assistance) Act 1995*—Report for 2006-07 on the operation of the Act;
- *Sydney Airport Demand Management Act 1997*—quarterly report on the maximum movement limit for the period 1 January to 31 March 2009; and
- *Sydney Airport Demand Management Act 1997*—quarterly report on the maximum movement limit for the period 1 April to 30 June 2009.

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

2 Department of Prime Minister and Cabinet, *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, June 2009, p. 1 (section 4).

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 Although not subject to the timeframes in the CAC Act or the *Financial Management and Accountability Act 1997* (FMA Act), the committee notes significant delays in the tabling of the following reports:

- Northern Territory Fisheries Joint Authority—Report for 2006-07;
- Queensland Fisheries Joint Authority—Report for 2005-06;
- Torres Strait Protected Zone Joint Authority—Report for 2006-07;
- Western Australian Fisheries Joint Authority—Report for 2004-05;
- Regional Forest Agreement for the Eden Region of New South Wales – Progress on the implementation of the Regional Forest Agreement for the Eden Region—Report for 2004-05;
- Regional Forest Agreement for the North East Region of New South Wales (Upper North East and Lower North East Regions) – Progress on the implementation of the Regional Forest Agreement for the North East Region—Report for 2004-05;
- Regional Forest Agreement for the Southern Region of New South Wales – Progress on the implementation of the Regional Forest Agreement for the Southern Region—Report for 2004-05;
- Regional Forest Agreement for the Southern Region of New South Wales – Progress on the implementation of the Regional Forest Agreement for the Southern Region—Report for 2005-06; and
- *Local Government (Financial Assistance) Act 1995*—Report for 2006-07 on the operation of the Act.

1.14 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.⁴

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

4 Department of Prime Minister and Cabinet, *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, June 2009, p. 1 (section 4).

Comments on reports

1.15 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.

1.16 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

1.17 Under subsection 8(2) of the Requirements for Annual Reports, all annual reports are required to incorporate aids to access, including alphabetical indexes.⁵ 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 National Transport Commission (NTC) would benefit from including an alphabetical index.

Compliance indexes

1.18 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.⁶ 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.

1.19 The committee found that some compliance indexes were more useful than others. A number of 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.

1.20 The committee commends those agencies which included compliance indexes for each piece of legislation they are required to report under. 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.

5 Department of Prime Minister and Cabinet, *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, June 2009, pp 4 and 16.

6 See for example, Senate Rural and Regional Affairs and Transport Legislation Committee, *Annual reports (No. 2 of 2009)*, p. 6.

1.21 The committee is disappointed that despite comments made in its previous reports, the NTC again failed to include a compliance index in its annual report.⁷ Consequently the committee found it difficult to determine whether this report complied with a number of relevant requirements.

Report on performance

1.22 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.⁸

Legislative requirements for Commonwealth authorities

1.23 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:⁹

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

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

1.25 The committee reminds agencies that they are required to report on all five requirements under subsection 516A(6) of the EPBC Act. 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.

1.26 The committee observed that several agencies did not adequately address all requirements under subsection 8(1) of the FOI Act. In particular, the committee observed that a number of bodies omitted to provide information on arrangements that

7 Senate Rural and Regional Affairs and Transport Committee, *Annual reports (No. 1 of 2006)*, p. 4; *Annual reports (No. 1 of 2007)*, p. 6; *Annual reports (No. 2 of 2008)*, pp 6–7; and *Annual reports (No. 2 of 2009)*, p. 6.

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

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

exist for others to participate in the agency's policy formulation process. The committee notes that Airservices Australia, the Civil Aviation Safety Authority (CASA) and the Department of Agriculture, Fisheries and Forestry (DAFF) addressed the FOI requirements comprehensively.

1.27 Omissions were again noted in most agencies' attempts to report against the OH&S Act, particularly regarding paragraph 74(1)(c). The committee considers that the DAFF and CASA annual reports provide good examples of how this requirement should be addressed.

Commonwealth Disability Strategy

1.28 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.¹⁰ 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. The committee considers that the Department of Infrastructure, Transport, Regional Development and Local Government (Infrastructure) has addressed this requirement to a high standard.

Consultancy contracts and competitive tendering and contracting

1.29 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.¹¹ 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 basic information about consultancies, some 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.

1.30 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.

1.31 The committee commends Infrastructure, Wheat Exports Australia (WEA) and the Australian Pesticides and Veterinary Medicines Authority (APVMA) for fully

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

11 Department of Prime Minister and Cabinet, *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, June 2009, pp 10–12 and 24–27.

complying with this requirement and providing information on consultancy services in accordance with the mandatory proforma.

Fraud Control Certification

1.32 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.¹²

1.33 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), DAFF and Infrastructure annual reports as examples of how to fully comply with this requirement.

Consistency of reporting documents

1.34 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.¹³

1.35 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.

1.36 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

12 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 2009, p. 7.

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

accountability process would be enhanced if both the former and the new performance information were provided, as well as the reasons for the revisions.

1.37 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.¹⁴ In addition, agencies are encouraged to provide information on expenditure by outcome/output in a form that is comparable with budget documentation.

1.38 Once again, the committee notes that Infrastructure has complied with this requirement particularly well. New or modified performance indicators since the 2008-09 Portfolio Budget Statements (PBS) are clearly identified in a table format at Appendix K of Infrastructure's annual report.

Senate remarks on annual reports

1.39 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 following annual reports:

- Department of Agriculture, Fisheries and Forestry; and
- Department of Infrastructure, Transport, Regional Development and Local Government.

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

- Australian Wine and Brandy Corporation;
- Australian Pesticides and Veterinary Medicines Authority;
- Wheat Exports Australia;
- Airservices Australia;
- Civil Aviation Safety Authority; and
- National Transport Commission.

14 Department of Prime Minister and Cabinet, *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, June 2009, p. 5.

Chapter 2

Annual reports of departments

Department of Agriculture, Fisheries and Forestry

2.1 The Department of Agriculture, Fisheries and Forestry (DAFF) *Annual Report 2008-09* was prepared in accordance with section 63 of the *Public Service Act 1999*. The report was received by the Senate on 8 October 2009 and tabled on 26 October 2009.

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 2009 (Requirements for Annual Reports).

2.3 DAFF's *Annual Report 2008-09* 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, reporting under the FOI Act, grants, advertising and market research, and agency resource and outcome resource statements.

2.4 Also included as an appendix is the final annual report for the Dairy Adjustment Authority (DAA) for the period 1 July 2008 to 31 December 2008, when the DAA ceased to exist. The committee notes that DAFF assumed the powers and functions of the DAA from 1 January 2009.¹

2.5 The committee notes that DAFF has complied with the requirement to include a summary statement which separately lists the number of new and ongoing consultancy contracts and the total actual expenditure for each category. However, in addition to this information, agencies must complete a mandatory proforma listing

1 Department of Agriculture, Fisheries and Forestry, *Annual Report 2008-09*, pp 225–253.

each individual consultancy to the value of \$10,000 or more, in accordance with the Requirements for Annual Reports. This information must be provided either in an appendix to the report or through the internet.²

2.6 According to DAFF's annual report, this information can be viewed on the DAFF website and a link has been given. The committee notes that when the DAFF website was accessed at the end of January 2010, this information was not available for 2008-09. Instead, the link contained a two page extract from DAFF's annual report for 2008-09. The committee is pleased to note, however, that immediately prior to finalising this report in March, the information for 2008-09 had been added.

2.7 The committee considers that DAFF has met all of the mandatory reporting requirements and provided a comprehensive review of its performance for 2008-09. Its report is clear, well presented and easy to navigate.

Departmental overview

2.8 The committee notes the following items of significance for DAFF during 2008-09:

- release of the report of the Quarantine and Biosecurity Review panel (the Beale review) in December 2008, with the government agreeing in principle to all 84 recommendations;
- planning, coordination and provision of logistical support to screen passengers arriving at air and sea ports following the outbreak of the H1N1 influenza virus (human swine influenza);
- continued provision of drought related assistance to farmers through the Exceptional Circumstances (EC) programs;
- coordination of the government's review of drought support measures;
- continued implementation of *Australia's Farming Future*, a four-year \$130 million research and training program to help the farming sector boost productivity and adapt to climate change;
- appointment of an independent Rural Research and Development Council to provide high-level advice to the Minister;
- announcement of three research priorities under the Climate Change Research Program: reducing greenhouse gas pollution, improving soil management and adapting to a changing climate;
- reprioritisation of resources in response to the government's request to reduce overall running costs by a further 1.2 per cent over the previous 3.25 per cent efficiency dividend in the 2009-10 Budget; and

2 Department of Prime Minister and Cabinet, *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, June 2009, pp 24–27.

-
- reform of the department's governance structure, by establishing formal committees for people management, business improvement, information and communications technology, and legislation and deregulation.³

2.9 From 1 July 2009, all of the department's quarantine and biosecurity functions have been brought together in the new Biosecurity Services Group. This includes the Australian Quarantine and Inspection Service (AQIS); Biosecurity Australia; the biosecurity areas of the Product Integrity, Animal and Plant Health Division; and the Quarantine and Biosecurity Policy Unit.⁴

Report on performance

2.10 DAFF has measured its performance against performance indicators specified in the 2008-09 PBS. A helpful overview of DAFF's performance framework and a concise summary of performance are provided at the beginning of the report on performance.⁵

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

- While 88 projects were completed under the *Securing our Fishing Future* structural adjustment program during 2008-09, a further 34 projects have been extended into 2009-10 due to setbacks in meeting project milestones caused by external factors.⁶
- Four out of five regional community projects that remained from the Sugar Industry Reform Program when it ended on 30 June 2008 were completed by 30 June 2009. The remaining project was delayed due to bad weather but is expected to be completed in the second half of 2009.⁷
- The *Caring for our Country* initiative began on 1 July 2008, integrating the functions of previous natural resource management (NRM) programs, including the Natural Heritage Trust, the National Landcare Program, the Environmental Stewardship Program and the Working on Country Indigenous land and sea ranger program. It is jointly administered by DAFF and the Department of the Environment, Water, Heritage and the Arts (DEWHA) and focuses on six national priority areas. A business plan will be released each year to seek investment proposals for the delivery of identified targets. Progress will be assessed according to a monitoring, evaluation, reporting and improvement

3 Department of Agriculture, Fisheries and Forestry, *Annual Report 2008-09*, pp ix–xi, xiii, and 92.

4 Department of Agriculture, Fisheries and Forestry, *Annual Report 2008-09*, pp x and xix.

5 Department of Agriculture, Fisheries and Forestry, *Annual Report 2008-09*, pp 2–6.

6 Department of Agriculture, Fisheries and Forestry, *Annual Report 2008-09*, pp 9, 37, 51 and 61.

7 Department of Agriculture, Fisheries and Forestry, *Annual Report 2008-09*, p. 32.

(MERI) strategy, and delivery outcomes will be published in an annual report card.⁸

- Illegal foreign fishing in Australian waters continued to decline significantly in 2008-09, primarily as a result of strict enforcement measures. The number of vessels apprehended in our northern Australian waters fell to 27, down from 156 in 2007-08. No illegal foreign fishing vessels were apprehended in other Australian waters. DAFF continued to engage with signatories of the Regional Plan of Action to Promote Responsible Fishing and Combat Illegal, Unreported and Unregulated (IUU) Fishing. The department also continued to work closely with Indonesia on collaborative measures against IUU fishing in the Arafura and Timor seas.⁹
- The department led Australia's negotiating efforts to secure agreement at the Commission for the Conservation of Southern Bluefin Tuna to adopt a catch documentation scheme, to allow only legally sourced product to access the markets. Agreement was also reached on developing a strategy to rebuild the southern bluefin tuna stock. The new standards will come into effect in 2010.¹⁰

Management and accountability

2.12 Three major ANAO performance audits relating to DAFF's activities and two cross-portfolio audits involving DAFF were tabled during 2008-09. Those reports of particular interest are discussed below.

2.13 The ANAO Audit Report No. 38 of 2008-09, *Administration of the Buyback Component of the Securing our Fishing Future Structural Adjustment Package*, found that DAFF's use of an algorithm to evaluate the tenders received was an innovative and practical approach, given the complexity of the evaluation process and the large number of tenders involved. However, there were no formal quality assurance processes in place during the development and running of the algorithm to ensure it was operating correctly. In addition, the evaluation process was not transparent, with a lack of documentation to support key elements of the process, and a failure to manage stakeholders' expectations by providing clearer guidance. The ANAO made one recommendation, in relation to enhancing the transparency and accountability of any future evaluation processes, which DAFF has accepted.¹¹

8 Department of Agriculture, Fisheries and Forestry, *Annual Report 2008-09*, pp 10 and 19–20.

9 Department of Agriculture, Fisheries and Forestry, *Annual Report 2008-09*, pp 16–17, 25 and 65.

10 Department of Agriculture, Fisheries and Forestry, *Annual Report 2008-09*, pp 17, 26, 65 and 69.

11 Australian National Audit Office (ANAO), *Administration of the Buyback Component of the Securing our Fishing Future Structural Adjustment Package*, Audit Report No. 38, 2008-09, pp 16–18 and 23.

2.14 The ANAO Audit Report No. 39 of 2008-09, *Administration of the Securing our Fishing Future Structural Adjustment Package Assistance Programs*, found that DAFF had developed appropriate program guidelines and a sound framework for assessing and approving applications for the three assistance programs. However, in practice, the department's documented processes and procedures were not followed when assessing and recommending applications to the decision makers. The ANAO also noted that DAFF's reporting on these programs, including in its annual report, did not advise the extent to which the program objectives and the expected benefits are being achieved. The ANAO made one recommendation which DAFF has accepted.¹²

2.15 The ANAO Audit Report No. 47 of 2008-09, *Management of Domestic Fishing Compliance*, found that the Australian Fisheries Management Authority (AFMA) effectively manages fishing concessions that limit access to the fisheries and control the methods through which fishers can take fish. However, AFMA is not undertaking its domestic fishing compliance responsibilities as effectively as it could be.¹³ The ANAO also observed that:

- AFMA has a sound process for annually assessing domestic compliance risks, but its under-developed intelligence capability has not facilitated regular risk reviews or targeting of compliance activities;
- AFMA's enforcement approaches have not always achieved the desired compliance outcomes because of the limited range of enforcement responses adopted and their inconsistent application; and
- a new centralised approach to compliance monitoring (from 1 July 2009) will give AFMA greater control over the current decentralised approach, but also creates different risks. For example, a reduced number of planned inspections and an intermittent presence in ports will not provide as strong a deterrent as previously and will inhibit inspections targeting 'at risk' fishers.¹⁴

2.16 The ANAO made five recommendations in relation to quota management, AFMA's inspection program, enforcement action, developing a compliance strategy and improving intelligence capability, and performance reporting. AFMA has accepted all of the recommendations and expects to address them within the next 12 months.¹⁵

12 Australian National Audit Office (ANAO), *Administration of the Securing our Fishing Future Structural Adjustment Package Assistance Programs*, Audit Report No. 39, 2008-09, pp 14–15 and 23.

13 Australian National Audit Office (ANAO), *Management of Domestic Fishing Compliance*, Audit Report No. 47, 2008-09, p. 16.

14 Australian National Audit Office (ANAO), *Management of Domestic Fishing Compliance*, Audit Report No. 47, 2008-09, pp 16–17.

15 Australian National Audit Office (ANAO), *Management of Domestic Fishing Compliance*, Audit Report No. 47, 2008-09, pp 18 and 25–27.

2.17 The committee notes that DAFF recorded an operating deficit of \$17.4 million in 2008-09, compared with a small surplus of \$0.7 million in 2007-08. This was mainly due to lower than expected revenues from AQIS import and export programs as a result of reduced activity stemming from the impacts of the global financial crisis.¹⁶

Conclusion

2.18 The committee considers that DAFF's *Annual Report 2008-09* complies with the reporting requirements of a Commonwealth department.

Department of Infrastructure, Transport, Regional Development and Local Government

2.19 The Department of Infrastructure, Transport, Regional Development and Local Government (Infrastructure) *Annual Report 2008-09* 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 2009 and tabled on 6 November 2009.

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

2.21 Infrastructure has provided a comprehensive review of its performance for 2008-09. 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.

2.22 As mentioned in the committee's previous reports, Infrastructure has provided information on the grant programs it administers, referring readers to its web pages for information about discretionary grants (until 31 December 2008) and grants programs (from 1 January 2009), in line with the Requirements for Annual Reports.¹⁷ While some internet links were provided, the committee reminds Infrastructure that providing more direct internet links would facilitate access to this information.

2.23 The Infrastructure Annual Report for 2008-09 contains the following information:

- the secretary's yearly review highlighting the achievements of the department;

16 Department of Agriculture, Fisheries and Forestry, *Annual Report 2008-09*, p. 192.

17 Senate Rural and Regional Affairs and Transport Committee, *Annual Reports (No. 1 of 2008)*, p. 15; and *Annual Reports (No. 1 of 2009)*, p. 11.

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- a departmental overview outlining Infrastructure's operations and organisational structure;
 - report on performance as measured against PBS performance indicators;
 - report on Infrastructure Australia's performance as measured against PBS performance indicators;
 - 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 agency resource statements, resources for outcomes, procurement practices, compliance with the Commonwealth Disability Strategy, environmental performance, reporting under the FOI Act, grants programs, performance indicators modified since the PBS, and financial statements.

Departmental overview

2.24 The committee notes that Mr Mike Mrdak was appointed secretary of the department from 29 June 2009, following the retirement of Mr Michael Taylor in April 2009.

2.25 The secretary reported that:

The past year has been one of significantly increased activity for the Department as we assisted the government in addressing the effects of the global recession by delivering its economic stimulus plan.¹⁸

2.26 The committee notes the following items of significance for Infrastructure during 2008-09:

- administration of programs providing over \$5.2 billion in direct and indirect grants for the construction and maintenance of land transport infrastructure, as part of the government's Nation Building Program;
- completion of National Partnership Agreements with all states and territories for land transport infrastructure projects from 2008-09 to 2013-14;
- completion of the second phase of checked baggage screening measures with provision of funding to 22 regional airports to assist with the costs of purchasing and installing x-ray equipment with explosive detection capabilities;

18 Department of Infrastructure, Transport, Regional Development and Local Government, *Annual Report 2008-09*, p. 3.

- development of regulatory reform proposals to introduce single, national regulatory systems for heavy vehicles, maritime safety and rail safety;
- development of the *National Road Safety Action Plan 2009 and 2010* to improve road safety across all parts of Australia's road transport system;
- development of the Aviation White Paper on national aviation policy, for release in the first half of 2009-10;
- release of the Aviation Green Paper in December 2008 to provide greater planning and investment certainty for the industry and clear commitments for users of aviation services and communities;
- as part of the release of the Aviation Green Paper, the government announced that the Australian Transport Safety Bureau (ATSB) would become a separate statutory agency from 1 July 2009;
- progress towards implementing the Regional Development Australia initiative with memorandums of understanding signed between the Australian Government and nearly all state and territory governments;
- establishment of the Australian Council of Local Government, a new partnership between the Australian Government and local governments; and
- review of governance arrangements across the department's program management operations, resulting in the establishment of a number of project boards to oversee and report on program planning and implementation.¹⁹

2.27 Infrastructure reported an operating deficit of \$3.0 million for 2008-09. This was within the Department's approved operating deficit of \$3.5 million.²⁰

Report on performance

2.28 Infrastructure has measured its performance against performance indicators specified in the 2008-09 PBS. A useful summary of performance is provided at the beginning of each output section. The committee notes that Infrastructure no longer uses a rating scale from 'fully achieved' to 'not achieved' to assess the achievement of programs against performance indicators from the PBS. As a result, the extent to which programs have been achieved is not quite as clear as in previous annual reports.

2.29 Under Outcome 1, the committee notes that:

19 Department of Infrastructure, Transport, Regional Development and Local Government, *Annual Report 2008-09*, pp 2-3, 37, 43, 52 and 56.

20 Department of Infrastructure, Transport, Regional Development and Local Government, *Annual Report 2008-09*, p. 4.

- 292 level crossing upgrade projects were approved for funding in 2008-09 and 2009-10, to install boom gates and other safety measures at high-risk level crossings around Australia;²¹ and
- The government received a project proposal report and committed \$1 million in 2008-09 to support the planning phase of the Murray River Bridges – Federation Fund project. However, as a result of significant delays, the government decided to close the Federation Fund.²²

2.30 Under Outcome 2, the committee notes that:

- Following a review of the Tasmanian Freight Equalisation Scheme, the government announced in November 2008 that the scheme would be retained in its current form;²³ and
- Due to the lack of demand for the Seatbelts on Regional School Buses program, \$7.5 million of the program's funding was reallocated to Regional Partnerships in the 2008-09 PAES.²⁴

Management and accountability

2.31 One major ANAO performance audit of Infrastructure activities and five cross-portfolio audits involving Infrastructure were tabled during 2008-09.

2.32 The ANAO Audit Report No. 29 of 2008-09, *Delivery of Projects on the AusLink National Network*, identified a number of concerns in relation to the effectiveness of Infrastructure's administration of the AusLink program, in working with the States to deliver the expected outcomes. The ANAO found that the delivery cost of most of the sampled AusLink stage 1 projects (covering the first five year plan from 2004-5 to 2008-09) was greater than expected at the time of funding approval, with increases ranging from six per cent to 249 per cent. In addition, there were significant delays in the delivery of some major projects.²⁵ This resulted from:

- projects being approved for funding after limited prior consultation with the States and before the necessary planning and preconstruction work had been completed; and

21 Department of Infrastructure, Transport, Regional Development and Local Government, *Annual Report 2008-09*, pp 21 and 27.

22 Department of Infrastructure, Transport, Regional Development and Local Government, *Annual Report 2008-09*, pp 22 and 29.

23 Department of Infrastructure, Transport, Regional Development and Local Government, *Annual Report 2008-09*, pp 60–61.

24 Department of Infrastructure, Transport, Regional Development and Local Government, *Annual Report 2008-09*, pp 72 and 75.

25 ANAO, *Delivery of Projects on the AusLink National Network*, Audit Report No. 29, 2008-09, pp 16–17.

- shortcomings in estimating practices and Infrastructure's scrutiny of estimates submitted by the States.²⁶

2.33 The ANAO observed that the documented project assessment and approval processes for AusLink projects are based on projects being considered for funding on a phased basis. However, it has become common for funding commitments for major road projects to be announced during Federal election campaigns before robust project proposals have been developed, creating challenges for Infrastructure and State transport agencies in delivering projects on time and budget.²⁷

2.34 In addition, the ANAO noted that while an evaluation framework was developed and documented in mid-2006, there had been considerable slippage in its implementation.²⁸

2.35 In developing its audit recommendations, the ANAO took into account administrative improvements already made or underway by Infrastructure and proposals by Infrastructure Australia to improve the robustness and quality of projects submitted by the States.²⁹ The ANAO indicated that:

In combination, these various initiatives, together with implementation of the recently promulgated cost estimating standard, can be expected to enhance the administration of funding for National Network projects and, consequently, the delivery of projects.³⁰

2.36 The ANAO made four recommendations which Infrastructure has accepted.

Conclusion

2.37 The committee considers that Infrastructure's *Annual Report 2008-09* complies with the reporting requirements of a Commonwealth department.

26 ANAO, *Delivery of Projects on the AusLink National Network*, Audit Report No. 29, 2008-09, p. 17.

27 ANAO, *Delivery of Projects on the AusLink National Network*, Audit Report No. 29, 2008-09, p. 17.

28 ANAO, *Delivery of Projects on the AusLink National Network*, Audit Report No. 29, 2008-09, pp 18 and 38–39.

29 ANAO, *Delivery of Projects on the AusLink National Network*, Audit Report No. 29, 2008-09, p. 19.

30 ANAO, *Delivery of Projects on the AusLink National Network*, Audit Report No. 29, 2008-09, p. 20.

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 Wine and Brandy Corporation

3.2 Once again, the committee commends the AWBC for certifying its compliance with the Commonwealth Fraud Control Guidelines in the prescribed manner, as outlined in paragraphs 1.32 and 1.33. The committee notes the proviso that the AWBC's fraud risk assessment and fraud management plan were not completed within the timeframe specified in the guidelines.

3.3 The AWBC reported that it had achieved an operating surplus of \$526,000 for 2008-09, compared to the budgeted break-even figures in the PBS. The Chairman indicated that while this is a pleasing result, it is not the Board's intention to accumulate profits and it will be investigating ways to utilise some of its existing financial reserves for the benefit of the wine sector.¹

3.4 The AWBC reported that it underwent significant restructuring in 2008-09 including the closure of its European office, changes to its North American and UK/Ireland/Europe operations, and the establishment of a marketing presence in China in partnership with Austrade. The AWBC observed that the most significant issues for the industry are the uncertainty of the system for taxing wine and the imbalance between supply and demand. There is currently an excess supply after a rebound in the national harvests for 2008 and 2009, following the severely drought-affected harvest of 2007.²

Prescribed agencies

Australian Pesticides and Veterinary Medicines Authority

3.5 The committee is pleased to note that, following the committee's comments in its previous report, the APVMA has made a number of improvements to its Annual Report for 2008-09. In particular, the APVMA has more closely aligned its compliance index with the checklist of requirements, as set out in the Requirements

1 Australian Wine and Brandy Corporation, *Annual Report 2008-09*, pp 5 and 28.

2 Australian Wine and Brandy Corporation, *Annual Report 2008-09*, pp 5, 28 and 48.

for Annual Reports. In addition, the compliance index for the APVMA's enabling legislation now follows the 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.³

3.6 Overall, the committee found the APVMA's compliance index to be detailed, useful and easy to follow. The committee notes, however, that the compliance index contained some incorrect page numbers and that a number of mandatory items were not listed, including the following:

- where outcome and output structures differ from PBS format, details of variation and reasons for change;
- performance of purchaser/provider arrangements;
- where performance targets differ from the PBS/PAES, details of both former and new targets, and reasons for the change;
- narrative discussion and analysis of performance;
- performance against service charter customer service standards, complaints data, and response to complaints;
- developments since the end of the financial year; and
- grant programs.⁴

3.7 The committee acknowledges that a number of these mandatory requirements may not be applicable to the APVMA. In such cases, the committee considers it would be useful to record a nil entry or 'not applicable' where the APVMA has nothing to report against an item.

3.8 The committee commends the APVMA for its improved reporting on consultancy contracts and competitive tendering. As well as a mandatory proforma listing each individual consultancy to the value of \$10,000 or more, summary statements for new and ongoing consultancies have been provided in accordance with the guidelines set out in the Requirements for Annual Reports.

3.9 The committee notes that the APVMA has included a summary resource table by outcomes. While the inclusion of this table is an improvement on its previous annual report, the information provided in the final column is not in accordance with the suggested format for the table contained in the Requirements for Annual Reports.⁵

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

4 See 'Checklist of Requirements' in Department of Prime Minister and Cabinet, *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, June 2009, pp 31–33.

5 Department of Prime Minister and Cabinet, *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, June 2009, p. 30.

In addition, agencies are also required to include an agency resource statement table, a new requirement from 2008-09 onwards.⁶

3.10 The committee is pleased to note that the APVMA has included a date on its transmittal letter, as specified in the Requirements for Annual Reports.

3.11 The APVMA reported that throughout 2008-09 it continued the review of its cost recovery arrangements which began in 2007-08. The APVMA has considered all of the comments received and is now preparing a final cost recovery impact statement for the Minister's agreement. The final statement will set out the fee structure for the next five years, or until the next review, if the need arises before 2013. It is proposed that changes to the APVMA's cost recovery arrangements will be phased in from 2009-10 and completed by July 2011.⁷

3.12 The APVMA's income for 2008-09 was \$24.83 million, an increase of \$2.37 million from 2007-08. This was primarily due to higher levy revenue. Total operating expenses for 2008-09 were \$25.86 million, an increase of \$1.01 million from the previous year.⁸

3.13 Following comments made in its previous report, the committee is pleased to observe that the APVMA has included a number of corrections to its 2007-08 annual report, as follows:

- a date for the letter of transmittal;
- a summary resource table by outcomes;
- separate summary statements for new and ongoing consultancies; and
- a revised compliance index.⁹

Wheat Exports Australia

3.14 The committee notes that this is the first report of Wheat Exports Australia (WEA). WEA replaced the Export Wheat Commission (EWC) from 1 July 2008 following a change to Australia's wheat export arrangements. WEA is a prescribed agency under the FMA Act. The objective of WEA is to regulate the export of bulk

6 See suggested format for the Agency Resource Statement table in Department of Prime Minister and Cabinet, *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, June 2009, pp 28–29.

7 Australian Pesticides and Veterinary Medicines Authority, *Annual Report 2008-09*, pp 5 and 7.

8 Australian Pesticides and Veterinary Medicines Authority, *Annual Report 2008-09*, pp 7 and 20–21.

9 Senate Rural and Regional Affairs and Transport Legislation Committee, *Annual reports (No. 2 of 2009)*, September 2009, pp 20–21.

wheat from Australia through the Wheat Export Accreditation Scheme and inform government, growers, exporters and industry of outcomes.¹⁰

3.15 Overall the committee found WEA's report to be informative and well presented. While the report contained a useful compliance index which aided the committee in its assessment of the report, a number of items, that are mandatory if applicable, were not listed. The committee considers it would be useful to record a nil entry where WEA has nothing to report against these items.

3.16 The committee commends WEA 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.¹¹

3.17 The committee is also pleased to note that WEA has provided 'Agency resource statement' and 'Total resources for outcomes' tables in accordance with the formats specified in the Requirements for Annual Reports.¹²

3.18 In addition, WEA's reporting on OH&S, and under section 311A of the *Commonwealth Electoral Act 1918* in relation to advertising and market research was of a high standard.

3.19 The committee notes that WEA 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 1.28). Instead, readers are referred to a web link for the Australian Public Service Commission's (APSC's) State of the Service Report, with WEA indicating that it had reported on its performance to the APSC through this report. WEA is reminded that this information must be included in its annual report.¹³

3.20 WEA reported that 'the period covered by this 2008-09 Annual Report has been one of momentous change for Australia's wheat industry'. When the *Wheat Export Marketing Act 2008* commenced on 1 July 2008, 'it removed the Single Desk export wheat marketing system and introduced competition to the exporting of Australian bulk wheat'.¹⁴

10 Wheat Exports Australia, *Annual Report 2008-09*, pp 6 and 57.

11 Department of Prime Minister and Cabinet, *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, June 2009, pp 10–12 and 24–27.

12 Department of Prime Minister and Cabinet, *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, June 2009, pp 6–7 and 28–30.

13 Department of Prime Minister and Cabinet, *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, June 2009, p. 13.

14 Wheat Exports Australia, *Annual Report 2008-09*, p. 2.

3.21 WEA indicated that the Act and the Wheat Export Accreditation Scheme will be reviewed by the Productivity Commission for reporting to the Australian Government by 30 June 2010. At the same time, DAFF, in conjunction with the Department of Finance and Deregulation, will be conducting an internal review of funding arrangements for WEA. The committee notes that the Government provided an appropriation of \$1.107 million through an Advance to the Finance Minister on 5 November 2008 for WEA operations during 2008-09.¹⁵

Infrastructure, Transport, Regional Development and Local Government portfolio

Commonwealth authorities

Airservices Australia

3.22 As mentioned in the committee's previous reports the compliance index in this report was not comprehensive.¹⁶ 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.

3.23 The committee commends Airservices Australia on its thorough reporting under the EPBC, FOI and OH&S Acts.

3.24 Airservices Australia reported that in 2008-09 it initiated a much more strategic focus on safety, both in its operations and workplace. The Board and Executive are in the final stages of approving a ten year safety plan, to ensure that operational and workplace safety are key considerations in the way Airservices Australia delivers projects, acquires new technology and infrastructure, refurbishes existing systems and buildings, and enhances the safety of its staff by utilising good workplace design practices.¹⁷

3.25 Airservices Australia negotiated three collective agreements with its employees and unions in the past year. The CEO explained that 'it was important that, while these agreements needed to be fair to our people, they also provided the basis for our program of ongoing productivity improvement and reform'. As Airservices Australia earns revenue from the aviation industry, the current and emerging cost pressures on the industry were key considerations in the negotiations. According to the Chairman, 'this process was not without difficulties, particularly in the air traffic

15 Wheat Exports Australia, *Annual Report 2008-09*, pp 5 and 30.

16 Senate Rural and Regional Affairs and Transport Committee, *Annual Reports (No. 1 of 2007)*, p. 6; *Annual Reports (No. 2 of 2008)*, p. 15; and *Annual Reports (No. 1 of 2009)*, p. 24.

17 Airservices Australia, *Annual Report 2008-09*, p. 19.

agreement; however, the Board was pleased that agreements which reflected opportunities for further efficiency improvements were eventually reached'.¹⁸

Civil Aviation Safety Authority

3.26 The committee considers that CASA has fulfilled its reporting requirements to a high standard. The report is clear, well structured and easy to read. It provides a thorough review of CASA's functions, activities and outcomes for 2008-09, including comprehensive reporting under the FOI, OH&S and Commonwealth Electoral Acts.

3.27 The committee is pleased to note improvements in CASA's transmittal letter and its reporting on the Commonwealth Disability Strategy.

3.28 CASA reported that a significant milestone in 2008-09 was the finalisation of the new Civil Aviation Safety Regulation 1988 (CASR) Part 99, which establishes a framework for the development of drug and alcohol management plans covering persons involved in safety sensitive aviation activities. It also establishes a regime for random drug and alcohol tests conducted by or on behalf of CASA. The new rules were launched at the Regional Aviation Association of Australia convention on 19 September 2008. Random drug and alcohol testing commenced in April 2009. Symbion, an independent testing provider working on behalf of CASA, is expected to perform approximately 6,000 random alcohol and other drug tests during the first 12 months of operation.¹⁹

3.29 The committee notes that during the reporting period, Mr Bruce Byron completed his appointment as Director of Aviation Safety and Chief Executive Officer (CEO). His term as CEO began in December 2003 and concluded on 1 March 2009, when he was replaced by Mr John McCormick.²⁰

3.30 The committee notes that following amendments to the *Civil Aviation Act 1988*, a new Board will be introduced from 1 July 2009 to improve CASA's governance. The functions of the new Board are to decide the objectives, strategies and policies to be followed so that CASA performs its functions in a proper, efficient and effective manner, in compliance with ministerial directions. The Board will operate at a strategic level with a particular focus on governance, while the Director of Aviation Safety will continue to be responsible for day-to-day regulatory and operational decision making.²¹

18 Airservices Australia, *Annual Report 2008-09*, pp 3, 5 and 26.

19 Civil Aviation Safety Authority, *Annual Report 2008-09*, pp 14, 29 and 81.

20 Civil Aviation Safety Authority, *Annual Report 2008-09*, pp 18–19.

21 Civil Aviation Safety Authority, *Annual Report 2008-09*, pp 10, 15 and 26.

Statutory corporations

National Transport Commission

3.31 In its previous reports the committee noted that 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.²² The committee is concerned that the NTC has once again failed to address the majority of requirements under the CAC Orders.

3.32 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.²³ 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'.

3.33 Following comments made in its previous report, the committee is pleased to note that the NTC's *Annual Report 2009* presented to Parliament was printed in international B5 size, as specified in the *Printing standards for documents presented to Parliament*.²⁴

Senator Glenn Sterle Chair

22 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; *Annual reports (No. 2 of 2008)*, p. 16; and *Annual reports (No. 2 of 2009)*, p. 26.

23 Senate Rural and Regional Affairs and Transport Committee, *Annual reports (No. 1 of 2006)*, p. 4; *Annual reports (No. 1 of 2007)*, p. 6; *Annual reports (No. 2 of 2008)*, p. 16; and *Annual reports (No. 2 of 2009)*, p. 26.

24 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 May 2009 to 31 October 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 2008-09	<i>Public Service Act 1999</i> <i>Financial Management and Accountability Act 1997</i>	14/09/09	16/09/09	22/09/09	26/10/09* (received 8/10/09)
<i>Statutory authorities</i>					
Australian Wine and Brandy Corporation—Report for 2008-09	<i>Australian Wine and Brandy Corporation Act 1980</i> <i>CAC Act 1997</i>	1/10/09	18/09/09	20/10/09	27/10/09
<i>Prescribed agencies</i>					
Australian Pesticides and Veterinary Medicines Authority—Report for 2008-09	<i>Agricultural and Veterinary Chemicals (Administration) Act 1992</i> <i>FMA Act 1997</i>	2/10/09	31/08/09	2/09/09	27/10/09
Wheat Exports Australia— Report for 2008-09	<i>Wheat Export Marketing Act 2008</i> <i>FMA Act 1997</i>	25/09/09	1/10/09	1/10/09	28/10/09
<i>Other</i>					
<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 to 30 June 2009	<i>Australian Meat and Live-stock Industry Act 1997</i>	n/a	9/07/09	9/07/09	12/08/09

	Legislation	Letter of transmittal date	Date Sent to Minister	Date received by Minister	Tabling date*
<i>Australian Meat and Live-stock Industry Act 1997</i> —Report to Parliament in relation to statutory funding agreement with the Australian Livestock Export Corporation Limited (LiveCorp)—Report for 2007-08	<i>Australian Meat and Live-stock Industry Act 1997</i>	n/a	16/03/09	16/03/09	16/06/09
Dairy Australia Limited—Deed of variation to statutory funding agreement with the Commonwealth (Deed dated September 2009)	<i>Dairy Produce Act 1986</i> <i>Australian Meat and Live-stock Industry Act 1997</i>	n/a	21/07/09	21/07/09	16/09/09
<i>Dairy Produce Act 1986</i> —Report to Parliament in relation to statutory funding agreement with Dairy Australia Limited—Report for 2007-08	<i>Dairy Produce Act 1986</i>	n/a	13/03/09	16/03/09	17/06/09
Northern Territory Fisheries Joint Authority—Report for 2006-07	<i>Fisheries Management Act 1991</i>		5/10/08	26/11/08	16/06/09
Queensland Fisheries Joint Authority—Report for 2005-06	<i>Fisheries Management Act 1991</i>		5/10/08	26/11/08	16/06/09
Regional Forest Agreement for the Eden Region of New South Wales – Progress on the implementation of the Regional Forest Agreement for the Eden Region—Annual report 2004-05	<i>Regional Forest Agreements Act 2002</i>	n/a	29/07/09	29/07/09	16/09/09
Regional Forest Agreement for the North East Region of New South Wales (Upper North East and Lower North East Regions) – Progress on the implementation of the Regional Forest Agreement for the North East Region—Annual report 2004-05	<i>Regional Forest Agreements Act 2002</i>	n/a	29/07/09	29/07/09	16/09/09

	Legislation	Letter of transmittal date	Date Sent to Minister	Date received by Minister	Tabling date*
Regional Forest Agreement for the Southern Region of New South Wales – Progress on the implementation of the Regional Forest Agreement for the Southern Region— Annual report 2004-05	<i>Regional Forest Agreements Act 2002</i>	n/a	29/07/09	29/07/09	16/09/09
Regional Forest Agreement for the Southern Region of New South Wales – Progress on the implementation of the Regional Forest Agreement for the Southern Region— Annual report 2005-06	<i>Regional Forest Agreements Act 2002</i>	n/a	29/07/09	29/07/09	16/09/09
Torres Strait Protected Zone Joint Authority—Report for 2006-07	<i>Torres Strait Fisheries Act 1984</i>		18/06/09	18/06/09	12/08/09
Western Australian Fisheries Joint Authority—Report for 2004-05	<i>Fisheries Management Act 1991</i>		23/12/08	5/01/09	16/06/09

* 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*
Department of State					
Department of Infrastructure, Transport, Regional Development and Local Government—Report for 2008-09	<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>	19/10/09	19/10/09	19/10/09	16/11/09* (received 30/10/09)
Statutory authorities					
Airservices Australia—Report for 2008-09	<i>Air Services Act 1995</i> <i>CAC Act 1997</i>	29/09/09	29/09/09	29/09/09	28/10/09
Civil Aviation Safety Authority—Report for 2008-09	<i>Civil Aviation Act 1988</i> <i>CAC Act 1997</i>	22/09/09			26/10/09* (received 13/10/09)
Statutory corporations					
National Transport Commission—Report for 2008-09	<i>National Transport Commission Act 2003</i> <i>CAC Act 1997 (sections 9, 18, 20 and Schedule 1)</i>	8/10/09	7/10/09	8/10/09	27/10/09
Companies					
Australian River Co. Limited—Report for 1 December 2007 to 30 November 2008	<i>Corporations Act 2001</i> <i>CAC Act 1997</i>		6/04/09	14/04/09	11/08/09* (received 6/08/09)

<i>Other</i>					
Airservices Australia— Corporate Plan 2009-2014	<i>Air Services Act 1995</i> <i>CAC Act 1997</i>	5/08/09	18/06/09	18/06/09	8/09/09
Australian Rail Track Corporation Ltd—Statement of corporate intent 2009-10	<i>Corporations Act 2001</i>	n/a	2/06/09	18/08/09	27/10/09
International Air Services Commission—Report for 2008-09	<i>International Air Services Commission Act 1992</i>	28/09/09	24/09/09	24/09/09	28/10/09
<i>Local Government (Financial Assistance) Act 1995—Report for 2006-07 on the operation of the Act</i>	<i>Local Government (Financial Assistance) Act 1995</i>	28/04/09	26/06/09	26/06/09	11/08/09* (received 8/07/09)
<i>Sydney Airport Demand Management Act 1997— quarterly report on the maximum movement limit for the period 1 January to 31 March 2009</i>	<i>Sydney Airport Demand Management Act 1997</i>	n/a	23/04/09	28/04/09	16/06/09
<i>Sydney Airport Demand Management Act 1997— quarterly report on the maximum movement limit for the period 1 April to 30 June 2009</i>	<i>Sydney Airport Demand Management Act 1997</i>	n/a	4/08/09	6/08/09	8/09/09

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

Appendix 2

List of annual reports tabled after 31 October 2009

Agriculture, Fisheries and Forestry portfolio

	Legislation	Letter of transmittal date	Date Sent to Minister	Date received by Minister	Tabling date*
<i>Statutory authorities</i>					
Cotton Research and Development Corporation— Report for 2008-09	<i>PIERD Act 1989</i> <i>CAC Act 1997</i>	5/10/09	15/10/09	22/10/09	16/11/09* (received 12/11/09)
Fisheries Research and Development Corporation— Report for 2008-09	<i>PIERD Act 1989</i> <i>CAC Act 1997</i>	27/08/09	15/10/09	28/10/09	24/11/09
Grains Research and Development Corporation— Report for 2008-09	<i>PIERD Act 1989</i> <i>CAC Act 1997</i>	30/09/09	9/10/09	20/10/09	24/11/09
Grape and Wine Research and Development Corporation— Report for 2008-09	<i>PIERD Act 1989</i> <i>CAC Act 1997</i>	23/09/09	9/10/09	20/10/09	16/11/09* (received 5/11/09)
Land and Water Resources Research and Development Corporation (Land and Water Australia) — Report for 2008-09	<i>PIERD Act 1989</i> <i>CAC Act 1997</i>	13/10/09	9/10/09	22/10/09	16/11/09* (received 12/11/09)
Rural Industries Research and Development Corporation— Report for 2008-09	<i>PIERD Act 1989</i> <i>CAC Act 1997</i>	30/09/09	12/10/09	20/10/09	16/11/09* (received 5/11/09)
Sugar Research and Development Corporation— Report for 2008-09	<i>PIERD Act 1989</i> <i>CAC Act 1997</i>	30/09/09	15/10/09	22/10/09	16/11/09* (received 12/11/09)

<i>Prescribed agencies</i>					
Australian Fisheries Management Authority—Report for 2008-09	<i>Fisheries Administration Act 1991</i> <i>FMA Act 1997</i>	24/09/09	24/09/09	24/09/09	17/11/09
<i>Other</i>					
Australian Landcare Council—Report for 2008-09	<i>Natural Resources Management (Financial Assistance) Act 1992</i>	12/11/09	6/10/09	6/10/09	2/02/10
Australian Livestock Export Corporation (LiveCorp)—Report for 2008-09	<i>Australian Meat and Live-stock Industry Act 1997</i> <i>Corporations Act 2001</i>				2/02/10* (received 13/01/10)
Dairy Australia Limited—Report for 2008-09	<i>Dairy Produce Act 1986</i> <i>Corporations Act 2001</i>	23/10/09	30/10/09	12/11/09	24/11/09
National Residue Survey—Report for 2008-09	<i>National Residue Survey Administration Act 1992</i>	15/10/09	22/10/09	2/11/09	17/11/09
National Rural Advisory Council—Report for 2008-09	<i>Rural Adjustment Act 1992</i>	October 2009			2/02/10* (received 13/01/10)
Northern Territory Fisheries Joint Authority—Report for 2007-08	<i>Fisheries Management Act 1991</i>		9/12/09	30/12/09	23/02/10
Torres Strait Protected Zone Joint Authority—Report for 2007-08	<i>Torres Strait Fisheries Act 1984</i>		11/09/09	23/09/09	17/11/09

* 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*
<i>Statutory authorities</i>					
Australian Maritime Safety Authority—Report for 2008-09	<i>Australian Maritime Safety Authority Act 1990</i> <i>CAC Act 1997</i>	23/09/09	15/10/09	15/10/09	17/11/09
<i>Companies</i>					
Australian Rail Track Corporation Ltd—Report for 2008-09	<i>Corporations Act 2001</i>		13/11/09	13/11/09	24/11/09
<i>Other</i>					
Airservices Australia National Equity and Diversity Program 2007-2010—Progress Report 2008-09	<i>Equal Employment Opportunity (Commonwealth Authorities) Act 1987</i>	n/a	24/09/09	24/09/09	17/11/09
AusLink—Report for 2007-08	<i>AusLink (National Land Transport) Act 2005</i>	n/a			2/02/10* (received 3/12/09)
<i>Sydney Airport Demand Management Act 1997</i> —quarterly report on the maximum movement limit for the period 1 July to 30 September 2009	<i>Sydney Airport Demand Management Act 1997</i>	n/a	22/10/09	26/10/09	25/11/09

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

