

# 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

##### *Wine Australia*

3.2 The committee is pleased to note that Wine Australia has again certified its compliance with the Commonwealth Fraud Control Guidelines in the prescribed manner.<sup>1</sup>

3.3 The committee notes that there is a brief mention of the *Australian Wine and Brandy Corporation Act 1980* having been amended to *Wine Australia Corporation Act 1980*, in relation to the new Label Integrity Program. However, there is no mention of the name change from Australian Wine and Brandy Corporation, to Wine Australia. As the name change occurred in the 2010-11 financial year, the committee considers this to be of significance, and should therefore have been included in the annual report.

3.4 The committee commends Wine Australia on its reporting under the OH&S Act. The committee notes, however, that reporting under the FOI Act did not contain a list of the categories of documents maintained, nor did it provide specific contact details for inquiries. The committee therefore considers that reporting under the FOI Act could be improved.<sup>2</sup>

#### Prescribed agencies

##### *Australian Pesticides and Veterinary Medicines Authority*

3.5 The committee commends APVMA on its thorough reporting on performance. It contains an assessment of progress towards outcomes, as well as relevant descriptions of processes and activities. The committee notes, however, that the readability could be improved if the information was provided in a table format.<sup>3</sup>

3.6 A few mandatory reporting requirements, such as a narrative discussion and analysis of performance, and trend information, were included in the list of

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1 Wine Australia, *Annual Report 2010-11*, pp 7 and 48.

2 Wine Australia, *Annual Report 2010-11*, pp 47 and 48.

3 APVMA, *Annual Report 2010-11*, pp 16–18.

requirements as 'not applicable'. The committee agrees that this is preferable to removing them completely from the list of requirements. However, for reporting requirements that are listed as mandatory, not to be confused with items that are listed as 'If applicable, mandatory', the committee believes that if these items are not applicable, the report would benefit from including a statement explaining why they are not applicable.<sup>4</sup>

3.7 APVMA's agency resource statement is found in the list of requirements, however, the committee could not locate an agency resource table. Information required to be in the agency resource table can be located throughout the financial statements, however the committee does not agree an agency resource statement has been included in the report. The committee points APVMA to Attachment E of the Requirements of Annual Reports, which states, 'The annual report must include in an appendix an Agency Resource Statement table' and provides an example of what the table should look like.<sup>5</sup>

3.8 The committee again commends APVMA on its reporting on the management of human resources. The committee is also pleased to note that, following comments in its previous report, APVMA has included SES remuneration in the same section as other classification levels and has also included the aggregated amount of performance-linked bonus payments.<sup>6</sup>

## **Infrastructure and Transport portfolio**

### **Commonwealth authorities**

#### *Airservices Australia*

3.9 Airservices Australia has, overall, provided a thorough and comprehensive annual report. The compliance index was again an improvement from Airservices Australia's previous report, with the exception of reporting on corporate governance statements, which was provided in the report, however, not listed in the compliance index.<sup>7</sup> The committee also reminds Airservices Australia that, in accordance with the CAC Orders, the responsible minister must be listed by name.<sup>8</sup>

3.10 The review of operations not only provides a description of activities, but also provides an assessment of performance. The layout is clear, with helpful tables that enhance readability. The committee considers that including another column in these

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4 Department of the Prime Minister and Cabinet, *Requirements for Annual Reports*, 8 July 2011, pp 7–8 and 34.

5 Department of the Prime Minister and Cabinet, *Requirements for Annual Reports*, 8 July 2011, pp 30–32.

6 APVMA, *Annual Report 2010-11*, p. 80.

7 Airservices Australia, *Annual Report 2010-11*, p. 10.

8 Airservices Australia, *Annual Report 2010-11*, p. 10; CAC Orders, Section 11, p. 3.

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tables, to mark whether the activity was found to be 'achieved', 'partially achieved' or 'not achieved', would benefit the review of operations.<sup>9</sup>

3.11 The committee again commends Airservices Australia's thorough reporting under the *Environmental Protection and Biodiversity Conservation Act 1999* (EPBC Act), the *Freedom of Information Act 1982* (FOI Act) and the *Occupational Health and Safety Act 1991* (OH&S Act).<sup>10</sup> The information provided is both clear and comprehensive. The committee especially notes the inclusion of statements relating to updates made to the reporting requirements within the Acts.<sup>11</sup>

3.12 Airservices Australia lists a new five year pricing proposal as one of its significant events for the financial year. The committee notes that the previous five year pricing cycle ended in 2009, however, prices have been frozen since that time, due to the global financial crisis.<sup>12</sup>

### ***Civil Aviation Safety Authority***

3.13 CASA has again fulfilled its reporting requirements to a high standard. The report is clear and well structured, and CASA has provided comprehensive reporting under the EPBC, FOI and OH&S Acts, as well as the National Disability Strategy. The committee especially notes CASA's statements in relation to amendments to the reporting requirements within these Acts, and the statement to reflect the relevant changes from the Commonwealth Disability Strategy to the National Disability Strategy.<sup>13</sup>

3.14 The compliance index is helpfully separated by legislative reporting requirements, however, the committee notes some minor errors, and incorrect page numbers provided.<sup>14</sup> This did not hinder the committee's ability to assess CASA's compliance.

3.15 CASA's report on performance is presented in a clear, easy to understand layout, with case studies and summaries provided. The committee notes CASA has used a tick symbol to represent the status of result, with a key provided at the beginning of the report on performance. The committee finds that for results listed as one or two ticks, that is, 'delayed/may not meet the target' or 'Some delay/issues being

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9 Airservices Australia, *Annual Report 2010-11*, pp 18–21.

10 Airservices Australia, *Annual Report 2010-11*, pp 23, 101–109.

11 Airservices Australia, *Annual Report 2010-11*, pp 17 and 23.

12 Airservices Australia, *Annual Report 2010-11*, pp 2–5.

13 CASA, *Annual Report 2010-11*, pp 83–86, 100–101, 103 and 172–174.

14 For example, enabling legislation was not listed in the index; location of major activities and facilities was listed as p. 185 instead of p. 189; reporting under FOI was listed as pp 172–174 but did not include pp 100–101.

managed', the report would benefit from a statement providing further information on the delays or issues being managed.<sup>15</sup>

3.16 The committee notes CASA's progress in its work on a new set of safety regulations for maintenance and engineer licensing, under the Civil Aviation Safety Regulations. CASA regards the release of the regulations as a 'key moment in CASA's history', stating that the new regulations can reduce complexities in the international aviation market, while also 'improving Australia's competitive edge in the world air transport industry'.<sup>16</sup> More than 7,000 Licensed Aircraft Maintenance Engineers have been issued licences under the new regulations.<sup>17</sup>

### *Australian Maritime Safety Authority*

3.17 The committee is pleased to note that, following comments in its previous report, improvements have been made in AMSA's annual report, particularly, to the compliance index. While some reporting requirements were not included, for example, certification by directors and the Auditor-General's report, the committee considers it to be a significant improvement from previous annual reports. The layout of the index is clear, with separate headings for different legislative reporting requirements.<sup>18</sup>

3.18 AMSA's reporting on performance is presented in a clear and easy to understand format, with a helpful summary of highlights provided at the beginning. The tables providing information on the targets and results are clearly presented, however, the committee finds that the reporting on performance would benefit from the inclusion of another column to mark targets as 'achieved', 'partially achieved', or 'not achieved'.<sup>19</sup>

3.19 The committee notes that in 2010-11, 4668 foreign flag ships made 23 498 visits to 79 Australian ports. AMSA conducted 3131 port state control inspections, from which 266 ships were detained until major deficiencies were addressed.<sup>20</sup>

3.20 In 2013, AMSA will become the national safety regulator for all commercial vessels as part of the national maritime safety reform. AMSA provided the likely benefits that will be achieved as a result of coordinating the different jurisdictions and laws, including a reduction in the complexity for vessel owners, operators and suppliers.<sup>21</sup>

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15 CASA, *Annual Report 2010-11*, pp 35–56.

16 CASA, *Annual Report 2010-11*, p. 27.

17 CASA, *Annual Report 2010-11*, pp 12, 21 and 27.

18 AMSA, *Annual Report 2010-11*, pp 182–183.

19 AMSA, *Annual Report 2010-11*, pp 19–58.

20 AMSA, *Annual Report 2010-11*, p. 20.

21 AMSA, *Annual Report 2010-11*, pp 46–47.

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## Statutory corporations

### *National Transport Commission*

3.21 The NTC is not a Commonwealth authority for the purposes of the CAC Act, however, 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.

3.22 The committee is pleased to note that, following comments made in its previous report, the NTC has vastly improved its compliance index. Furthermore, the reporting requirements have been greatly improved, with comprehensive reporting on external scrutiny and specific information on directors.<sup>22</sup>

## Commonwealth companies

### *Australian Rail Track Corporation*

3.23 The committee is pleased to note that, following comments in its previous report, the ARTC has printed its annual report in international B5 size, as required in the *Printing standards for documents presented to Parliament*.<sup>23</sup>

3.24 The committee is also pleased to note that the ARTC has included a compliance index in its annual report. While the inclusion of this index is not mandatory for the ARTC, the committee finds it immensely helpful when assessing the ARTC's compliance in reporting requirements.<sup>24</sup>

3.25 The committee notes that the ARTC has especially improved its reporting on corporate governance, particularly the information provided in relation to the Board's approach to identifying areas of significant business risk, and arrangements in place to manage them.<sup>25</sup>

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22 National Transport Commission, *Annual Report 2010-11*, pp 48, 45–47 and 87.

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[www.aph.gov.au/Parliamentary\\_Business/Chamber\\_documents/Tabled\\_Papers/Advice\\_to\\_government\\_agencies#format](http://www.aph.gov.au/Parliamentary_Business/Chamber_documents/Tabled_Papers/Advice_to_government_agencies#format) (Accessed 8 March 2012).

24 ARTC, *Annual Report 2010-11*, p. 112.

25 ARTC, *Annual Report 2010-11*, pp 32–32.

**Senator Glenn Sterle**

**Chair**