

## Chapter 2

### Annual reports of agencies

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

#### **Agriculture, Fisheries and Forestry portfolio**

##### **Commonwealth authorities**

###### *Cotton Research and Development Corporation (CRDC)*

2.2 The CRDC has again provided a clear, concise and well-constructed annual report. The committee considers the CRDC's report on its performance against the Annual Operating Plan to be of a high standard.<sup>1</sup> Key performance indicators are clearly listed in a table that identifies whether indicators were achieved, partially achieved, or not achieved. The committee finds it especially helpful that where indicators were partially achieved, or not achieved, the CRDC has provided an explanation as to why.<sup>2</sup>

2.3 The committee is pleased to note that, following comments made in its previous reports, the CRDC has improved its reporting under the *Occupational Health and Safety Act 1991*<sup>3</sup> (OH&S Act), *Environmental Protection and Biodiversity Conservation Act 1999* (EPBC Act) and FOI Acts.<sup>4</sup> Reporting under the OH&S Act contains information provided in a helpful table, however, the committee reminds the CRDC that reporting under the FOI Act should also contain contact details where enquiries can be made.<sup>5</sup>

2.4 The CRDC reported that in April 2011 the Minister notified the Corporation that achieving diversity in Board appointments is to be a priority.<sup>6</sup> The committee looks forward to seeing progress on this matter reported in future annual reports.

2.5 The CRDC has provided a helpful summary of factors, events and trends influencing its performance over the financial year. The committee notes that, following a decade-long drought, the 2010-11 cotton harvest produced an Australian record of four million bales. The CRDC reported that cotton prices also rose during

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1 Cotton Research and Development Corporation, *Annual Report 2010-11*, pp 30–58.

2 Cotton Research and Development Corporation, *Annual Report 2010-11*, pp 121–129.

3 As of 1 January 2012 the OH&S Act has been replaced by the *Work Health and Safety Act 2011*.

4 Cotton Research and Development Corporation, *Annual Report 2010-11*, pp 73–74 and 130.

5 Cotton Research and Development Corporation, *Annual Report 2010-11*, p. 74.

6 Cotton Research and Development Corporation, *Annual Report 2010-11*, p. 69.

this time, which allowed growers to recover from some of the financial damage of previous years.<sup>7</sup>

### ***Fisheries Research and Development Corporation (FRDC)***

2.6 The committee notes that, overall, the FRDC has provided a clear and concise annual report. The committee is disappointed to note, however, that its reporting on key performance indicators is not as clear as its previous annual report. Where previously the table of key performance indicators contained a column that clearly stated 'achieved' where relevant, the table now contains a column titled 'achievements', which provides a description of the activities involved. The committee reminds the FRDC that an assessment on the effectiveness of operations should also be included.<sup>8</sup>

2.7 The FRDC has provided a helpful compliance index that includes a separate section for reporting under the PIERD Act. The committee notes, however, that some items listed under the compliance index for the PIERD Act do not use the same wording as section 28 of the PIERD Act, making it difficult for the committee to assess whether or not reporting requirements were met. The committee expects this matter to be addressed in future annual reports.

2.8 The committee is pleased to note that, following comments made in its previous report, the FRDC has improved its reporting under the EPBC, FOI and OH&S Acts. Each section provides the information required to a high standard, and in a clear and easy to understand format.<sup>9</sup>

### ***Grains Research and Development Corporation (GRDC)***

2.9 The GRDC has again provided a well presented and informative report. Throughout the report, the use of tables helps fulfil the reporting requirements, such as organisation structure, significant events, and expenditure on government research priorities, in an easily accessible manner.<sup>10</sup>

2.10 The committee commends the GRDC for its reporting under the FOI Act, which clearly lays out all reporting requirements, provides a section 8 statement for the period 1 July 2010 to 30 April 2011, as well as a statement detailing the new arrangements as part of the Information Publication Scheme.<sup>11</sup> The committee also notes that the GRDC's reporting under the OH&S Act has improved substantially.<sup>12</sup>

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7 Cotton Research and Development Corporation, *Annual Report 2010-11*, p. 2.

8 Fisheries Research and Development Corporation, *Annual Report 2010-11*, pp 27–28, 39–40, 48, 53 and 59.

9 Fisheries Research and Development Corporation, *Annual Report 2010-11*, pp 26–27, 85–86, 90, 157 and 165–166.

10 Grains Research and Development Corporation, *Annual Report 2010-11*, pp 3–4, 15 and 146–147.

11 Grains Research and Development Corporation, *Annual Report 2010-11*, p. 101.

12 Grains Research and Development Corporation, *Annual Report 2010-11*, pp 103–104.

2.11 The compliance index provided separates the CAC Act and PIERD Act requirements, which the committee finds helpful. The committee notes, however, that items listed under the PIERD Act requirements appear to be incomplete. The committee considers that for items required to be reported on, but are not applicable, the inclusion of these items, marked as 'N/A', would be beneficial.

***Grape and Wine Research and Development Corporation (GWRDC)***

2.12 The committee again commends the GWRDC for providing a clear and specific compliance index. This greatly assists the committee's ability to ensure adherence to reporting requirements.

2.13 The committee is pleased to note that, following comments made in its previous reports, several improvements have been made to the GWRDC's annual report. The GWRDC has provided an alphabetical index, and has substantially improved its reporting on legislative requirements. Reporting under the FOI and OH&S Acts were fulfilled to a high standard, with all reporting requirements covered in a clear and comprehensive manner.<sup>13</sup>

2.14 The committee notes that the GWRDC's reporting on operations, as mentioned in paragraphs 1.31–1.35, has an 'achievements' column rather than an assessment of effectiveness. The committee finds that, while the information is presented more clearly than previous annual reports, the GWRDC would benefit from including a clearer assessment of both the efficiency and effectiveness of its operations.<sup>14</sup>

2.15 The GWRDC has fulfilled its reporting on corporate governance to a high standard, however, the committee reminds GWRDC that attendance at board committee meetings should also be included in the corporate governance statement.<sup>15</sup>

***Rural Industries Research and Development Corporation (RIRDC)***

2.16 The committee again commends the RIRDC for providing a comprehensive review of its functions, activities, and outcomes in its annual report for 2010-11. The compliance index provided was clear, with separate sections for reporting requirements under the PIERD Act. However, the committee notes that the separate section provided for 'other legislative requirements' did not contain page numbers. The committee did not find this too problematic, as items such as reporting under the FOI and EPBC Acts were located within the CAC and PIERD Acts compliance indexes.<sup>16</sup>

2.17 The committee is pleased to note that, following comments made in its previous reports, the RIRDC's reporting under the FOI Act has improved. However,

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13 Grape and Wine Research and Development Corporation, *Annual Report 2010-11*, pp 51–52, 53 and 99.

14 Grape and Wine Research and Development Corporation, *Annual Report 2010-11*, pp 20–33.

15 Grape and Wine Research and Development Corporation, *Annual Report 2010-11*, pp 42–43.

16 Rural Industries Research and Development Corporation, *Annual Report 2010-11*, pp 241–242.

the committee notes that it would benefit from including further information on the categories of documents maintained. The RIRDC's statement on the National Disability Strategy is also of a high standard.<sup>17</sup>

### ***Sugar Research and Development Corporation (SRDC)***

2.18 The committee is disappointed to find that, following comments made in its previous reports, the SRDC has again provided an incomplete compliance index.

2.19 Without a complete compliance index, the committee finds it difficult to assess whether or not all reporting requirements have been met. The committee is especially concerned at the number of items that appear to be missing from the SRDC's reporting under the PIERD Act.<sup>18</sup>

2.20 The committee does note however, that while most reporting requirements were not included in the compliance index, they appear to have been covered throughout the report in a clear and thorough manner.

2.21 The committee notes that while the SRDC's report on performance also appeared not to be included in the compliance index, it has provided a clear assessment of key performance indicators and deliverables, with all results listed as 'achieved', excluding one item which is listed as 'partly achieved', and provides an explanation as to why. The committee considers this to be a high standard of reporting on performance.

2.22 The SRDC's reporting under the FOI Act did not contain a section 8 statement covering the period 1 July 2010 to 30 April 2011 inclusive, nor did it contain a statement explaining the newly established Information Publication Scheme. The committee encourages the SRDC to look carefully at the reporting requirements under this legislation when compiling upcoming reports.<sup>19</sup>

### **Prescribed agencies**

#### ***Australian Fisheries Management Authority (AFMA)***

2.23 The committee commends AFMA on consistently providing a high standard of reporting. The report is well written, comprehensive, and provides a detailed compliance index. The committee is also pleased to note that, following comments made in the committee's previous reports, AFMA has included a separate section for compliance under the *Fisheries Administration Act 1991* (AFMA's enabling legislation).<sup>20</sup>

2.24 AFMA has improved its reporting on performance, and reporting against deliverables and key performance indicators. An assessment of the effectiveness of

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17 Rural Industries Research and Development Corporation, *Annual Report 2010-11*, pp 13 and 159.

18 Sugar Research and Development Corporation, *Annual Report 2010-11*, p. 130.

19 Department of the Prime Minister and Cabinet, *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, July 2011, p. 21.

20 Australian Fisheries Management Authority, *Annual Report 2010-11*, p. 191.

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performance is provided, with results listed in a clear manner, and explanations given when targets have been classified as 'partially met', rather than 'met'.<sup>21</sup>

2.25 AFMA's reporting on its management of human resources is of a high standard. An assessment of its effectiveness in managing and developing human resources to achieve departmental objectives is provided in a clear and easy to read format, with helpful tables used where appropriate. However, the committee reminds AFMA that its reporting on consultancies should clearly state whether the consultancies listed are for the reporting year, for previous years, or both. If there are no ongoing consultancies from previous years, the committee considers that a statement to this effect should be included.<sup>22</sup>

2.26 Once again, the committee commends AFMA for its high standard of reporting under the FOI, EPBC and OH&S Acts, as well as its reporting on the Advertising and Market Research section required by the *Commonwealth Electoral Act 1918*, and the National Disability Strategy.<sup>23</sup>

#### ***Wheat Exports Australia (WEA)***

2.27 The committee notes that the Wheat Export Accreditation Scheme, under which the WEA operates, may be abolished on 30 September 2012. While access test requirements will remain, staffing numbers will be reduced, and if the Export Marketing Amendment Bill 2012 is passed, the WEA will cease on 31 December 2012.<sup>24</sup>

2.28 In its financial statements, the WEA states that it has become aware that there is an increased risk of non-compliance with section 83 of the Constitution where payments are made from special appropriations and special accounts in circumstances where the payments do not accord with conditions included in the relevant legislation.<sup>25</sup> This is also mentioned in the Auditor-General's Independent Audit Report, under its report on other legal and regulatory requirements.<sup>26</sup>

2.29 The committee understands that the WEA intends to investigate the circumstances, and any impact on its special account.<sup>27</sup>

2.30 The WEA's reporting on performance has been fulfilled to a high standard, especially its reporting on program deliverables and key performance indicators (KPIs). The committee is pleased to note that, following comments made in previous

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21 Australian Fisheries Management Authority, *Annual Report 2010-11*, pp 14–33.

22 Australian Fisheries Management Authority, *Annual Report 2010-11*, pp 182–184.

23 Australian Fisheries Management Authority, *Annual Report 2010-11*, pp 53, 62–63, 175–177, 178 and 179–181.

24 Wheat Exports Australia, *Annual Report 2010-11*, pp 2, 4, 6 and 9.

25 Wheat Exports Australia, *Annual Report 2010-11*, pp 70–71.

26 Wheat Exports Australia, *Annual Report 2010-11*, p. 38.

27 Wheat Exports Australia, *Annual Report 2010-11*, pp 70–71.

reports, the WEA has provided a statement indicating if KPIs have been historically met for the last three years.<sup>28</sup>

## **Infrastructure and Transport portfolio**

### **Prescribed agency**

#### *Australian Transport Safety Bureau (ATSB)*

2.31 The committee is pleased to note that the ATSB has again fulfilled its reporting requirements under the FMA Act and its own governing legislation to a high standard. The report is clear, well structured, and easy to read.

2.32 The ATSB lists the national transport reforms as a significant change in the nature of its principal functions/services. The committee notes that in the 2010-11 Budget, the ATSB was allocated \$0.8 million to enable it to prepare for a national role as Australia's no-blame rail and maritime safety investigator, with a further \$2.4 million in 2011-12 and \$8 million in 2012-13 announced for this purpose.<sup>29</sup>

2.33 The committee finds that the ATSB's reporting on performance is displayed in a clear and easy to read format. The tables do not contain a clear 'achieved' or 'not achieved' column. Instead, they contain a target, with results of those actions relating to that target. The committee considers that this is an effective way to report on the performance of the specific nature of the ATSB's work. However, its report on performance could benefit from the inclusion of descriptors such as 'achieved', 'partially achieved' or 'not achieved' alongside its targets and results.<sup>30</sup>

## **Regional Australia, Local Government, Arts and Sport portfolio**

### **Prescribed agency**

#### *National Capital Authority (NCA)*

2.34 This is the first opportunity that the committee has had to examine the annual report of the NCA, as a result of the change of allocations which occurred when the Senate amended the order relating to the allocation of departments and agencies to committees.

2.35 The committee notes that the *National Capital Authority Annual Report 2009-10* was examined in the Senate Finance and Public Administration Committee's *Annual Report (No. 2 of 2011)*. In this report, the Senate Finance and Public Administration Committee encouraged the National Capital Authority to focus its next

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28 Wheat Exports Australia, *Annual Report 2010-11*, pp 12–22 and 89–101.

29 Australian Transport Safety Bureau, *Annual Report 2010-11*, p. 32.

30 Australian Transport Safety Bureau, *Annual Report 2010-11*, pp 22–32.

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annual report on an assessment of its performance, rather than providing a description of its activities.<sup>31</sup>

2.36 The committee is disappointed to note that the NCA has not included a clear assessment of its performance, and encourages the NCA to include this in its next annual report.<sup>32</sup>

**Senator Glenn Sterle**

**Chair**

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31 Senate Finance and Public Administration Committee, *Annual Reports (No. 2 of 2011)*, pp 23–24.

32 National Capital Authority, *Annual Report 2010-11*, pp 16–109.