

# Chapter 1

## Overview

1.1 The committee is responsible for examining the annual reports of departments and agencies within three portfolios:

- Agriculture, Fisheries and Forestry;
- Infrastructure and Transport; and
- Regional Australia, Local Government, Arts and Sport.

### 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 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.
- (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.

### 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 the government's

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* (Requirements for Annual Reports), Department of the Prime Minister and Cabinet (PM&C), approved by the Joint Committee of Public Accounts and Audit and updated by PM&C on 28 June 2012;
- for Commonwealth authorities and companies: the *Commonwealth Authorities and Companies Act 1997* (the CAC Act), sections 9, 36 and 48, the *Commonwealth Authorities (Annual Reporting) Orders 2011*, the *Commonwealth Companies (Annual Reporting) Orders 2011* (CAC Orders) and the requirements of the *Corporations Act 2001*; 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.

1.5 The committee notes that Annual reports for Commonwealth authorities and companies for the 2011-12 financial year have been prepared in accordance with the respective CAC Orders.

1.6 The committee reminds departments, executive and prescribed agencies to review the *Printing standards for documents presented to Parliament* (the standards). The standards do not encourage the use of full colour printing and suggest that this should be restricted to those reports of companies and authorities in active competition with the private sector, documents that are used for communication or marketing purposes with an audience beyond the Parliament.<sup>1</sup> The committee also reminds departments, executive and prescribed agencies that the use of colour that 'bleeds' to the edge of the page is not permitted under the standards.<sup>2</sup>

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1 Parliamentary Paper Series, Advice to government agencies, [www.aph.gov.au/Parliamentary\\_Business/Chamber\\_documents/Tabled\\_Papers/Advice\\_to\\_government\\_agencies](http://www.aph.gov.au/Parliamentary_Business/Chamber_documents/Tabled_Papers/Advice_to_government_agencies) (accessed 17 January 2013).

2 Parliamentary Paper Series, Advice to government agencies, [www.aph.gov.au/Parliamentary\\_Business/Chamber\\_documents/Tabled\\_Papers/Advice\\_to\\_government\\_agencies](http://www.aph.gov.au/Parliamentary_Business/Chamber_documents/Tabled_Papers/Advice_to_government_agencies) (accessed 17 January 2013).

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## Reports referred to the committee

1.7 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 14 March 2013. 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, this year, that date is 12 September 2013.

1.8 On 8 February 2012, the Senate amended the continuing order relating to the allocation of departments and agencies to committees. The change of allocations resulted in the Rural Affairs and Transport Committee changing its name to the Rural and Regional Affairs and Transport Committee. The change also resulted in the recently established Regional Australia, Local Government, Arts and Sport portfolio moving from the Finance and Public Administration Committee's responsibilities to the Rural and Regional Affairs and Transport Committee's responsibilities. The committee now has responsibility for the oversight of the following portfolios:

- Agriculture, Fisheries and Forestry;
- Infrastructure and Transport; and
- Regional Australia, Local Government, Arts and Sport.<sup>3</sup>

1.9 This report considers annual reports which were tabled in the Senate or presented to the President of the Senate between 1 May 2012 and 31 October 2012. The committee notes that the *Report on Annual Reports (No.1)* considers reports tabled each year between 1 May and 31 October.

1.10 The committee examined four annual reports of agencies within the Agriculture, Fisheries and Forestry portfolio, seven annual reports of agencies within the Infrastructure and Transport portfolio, and fourteen annual report of agencies within the Regional Australia, Local Government, Arts and Sport portfolio as follows:

### *Agriculture, Fisheries and Forestry Portfolio*

- Department of Agriculture, Fisheries and Forestry—Report for 2011-12;
- Wine Australia—Report for 2011-12;
- Australian Landcare Council—Report for 2011-12;
- National Rural Advisory Council—Report for 2011-12;

### *Infrastructure and Transport Portfolio*

- Department of Infrastructure and Transport—Report for 2011-12;
- Airservices Australia—Report for 2011-12;
- Civil Aviation Safety Authority—Report for 2011-12;

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3 *Journals of the Senate No. 74*, 8 February 2012, pp 2043–44.

- Australian Maritime Safety Authority—Report for 2011-12;
- National Transport Commission—Report for 2011-12;
- Australian Rail Track Corporation—Report for 2011-12;
- Australian Transport Safety Bureau—Report for 2011-12;

*Regional Australia, Local Government, Arts and Sport Portfolio*

- Department of Regional Australia, Local Government, Arts and Sport—Report for 2011-12;
- Australia Council for the Arts—Report for 2011-12;
- Australian Film, Television and Radio School—Report for 2011-12;
- Australian National Maritime Museum—Report for 2011-12;
- Australian Sports Commissions—Report for 2011-12;
- National Gallery of Australia—Report for 2011-12;
- National Library of Australia—Report for 2011-12;
- National Museum of Australia—Report for 2011-12;
- National Film and Sound Archive—Report for 2011-12;
- Screen Australia—Report for 2011-12;
- Australian River Co Limited—Report for 2010-11;
- Bundanoon Trust Limited—Report for 2011-12;
- Australian Sports Anti-Doping Authority—Report for 2011-12;
- National Archives of Australia and National Archives of Australia Advisory Council—Report for 2011-12; and
- Old Parliament House (Museum for Australian Democracy)—Report for 2011-12.

1.11 A complete list of reports referred to the committee during the period 1 May to 31 October 2012 (including those not examined) appears at Appendix 1. Reports referred to the committee since 1 November 2012 appear at Appendix 2.

### **Reports not examined**

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

- *Australian Meat and Live-stock Industry Act 1997*—Report for 2010-11 in relation to compliance with the statutory agreement between the Commonwealth of Australia and Australian Livestock Export Corporation Limited (Livecorp);

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- *Australian Meat and Live-stock Industry Act 1997*—Live-stock mortalities during exports by sea—Report for the period 1 January to 30 June 2012;
  - *Sydney Airport Demand Management Act 1997*—Quarterly report on the maximum movement limit for Sydney Airport for the period 1 January to 30 March 2012; and
  - *Sydney Airport Demand Management Act 1997*—Quarterly report on the maximum movement limit for Sydney Airport for the period 1 April to 30 June 2012.
  - *Local Government (Financial Assistance) Act 1995*—Report for 2008-09 Local Government National Report.

## Timeliness

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

1.14 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.<sup>4</sup> Those agencies reporting under the CAC Act are required to provide their annual reports to the Minister by the 15<sup>th</sup> day of the fourth month after the end of the financial year.<sup>5</sup> Where the financial year ends on 30 June, this deadline translates to 15 October.

## Comments on reports

### *Changes to legislative requirements for Departments, Executive Agencies and FMA Act Bodies*

1.15 With the passage of the *Carer Recognition Act 2010*, the reporting requirements for public service care agencies have changed. Agencies must report their compliance with the obligations outlined in the *Carer Recognition Act 2010*.

1.16 The reporting requirement for agencies to provide details of each relevant consultancy is no longer required as the information appears on the AusTender website.<sup>6</sup>

1.17 With the commencement of the Information Publication Scheme (IPS) in 2011 and removal of the requirement for *Freedom of Information Act 1982* reporting

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4 Department of the Prime Minister and Cabinet, *Requirements for Annual Reports*, 28 June 2012, p. 2.

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

6 Department of the Prime Minister and Cabinet, *Requirements for Annual Reports*, 28 June 2012, pp 12–14.

in individual Commonwealth agency annual reports.<sup>7</sup> An explicit statement to where an agency's IPS information can be found must be made in each agency's annual report.<sup>8</sup>

### ***List of requirements/Compliance index***

1.18 The committee is concerned to note that a number of annual reports have either failed to provide or have provided incomplete compliance indexes. A 'List of Requirements' is a mandatory inclusion specified in the Requirements for Annual Reports.<sup>9</sup> This list greatly facilitates the committee's task of ensuring adherence to reporting requirements, as well as assisting agencies to clearly and publicly demonstrate that all legislative obligations have been met.

1.19 The committee considers that as a matter of best practice, CAC Act bodies should provide equivalent information in the form of a compliance index based on requirements in the CAC Act and their own governing legislation.

1.20 The committee is particularly pleased with the compliance indexes contained in reports of Wine Australia and the Australian Maritime Safety Authority. Each compliance index was helpfully separated by legislative reporting requirements, which aided the committee's task of ensuring compliance to the reporting requirements.

### ***Report on performance***

1.21 The committee considers that most annual reports have provided a clear and thorough report on performance. Annual reports that contained the information presented in tables 'achieved', 'partially achieved' or 'not achieved' were especially effective in demonstrating performance in relation to requirements. The Requirements of Annual Reports specifies that the review must include:

a statement noting if the department has historically met each Key Performance Indicator (KPI). For those KPIs that have not been achieved, a brief explanation is to be included.<sup>10</sup>

1.22 In particular the committee considers that the Department of Infrastructure and Transport has fulfilled this reporting requirement to a high standard.

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7 Individual CAC authorities and companies are required under s.12 of the *Commonwealth Authorities (Annual Reporting) Orders 2011*, and s. 10 of the *Commonwealth Companies (Annual Reporting) Orders 2011* are still required to report against the *Freedom of Information Act (1982)*.

8 Department of the Prime Minister and Cabinet, *Requirements for Annual Reports*, 28 June 2012, pp 16 and 33–34.

9 Department of the Prime Minister and Cabinet, *Requirements for Annual Reports*, 28 June 2012, p. 40.

10 Department of the Prime Minister and Cabinet, *Requirements for Annual Reports*, 28 June 2012, p. 7.