

Chapter 2

Annual reports of Commonwealth Authorities, Companies and Agencies

2.1 This chapter reviews and provides selected comments on portfolio annual reports.

Health and Ageing Portfolio

National Health Performance Authority

2.2 The National Health Performance Authority (NHPA) presented its first annual report to the committee in this reporting period, having been established as a result of the signing of the Council of Australian Governments (COAG) National Health Reform Agreement on 2 August 2011. The NHPA is a prescribed agency under the *Financial Management and Accountability Act 1997*, and operates under the *National Health Reform Act 2011* to monitor and report

on the comparable performance of healthcare organisations to stimulate and inform improvements in the Australian health system, increase transparency and accountability and inform consumers.¹

2.3 The report notes that the first six months of operation of the NHPA have been focused on building structure and capacity for the agency, consulting with stakeholders, and establishing the Strategic Plan 2012–2015, as well as a reporting plan and a data plan. The NHPA's operations over this period were funded through appropriations from the Department of Health and Ageing.

2.4 The committee commends the NHPA on its clearly structured and well-presented report, which complies with almost all applicable reporting requirements. The notable exception is the report's statement addressing consultancies, which appears to be addressing another reporting requirement.² Future reports would also benefit from a more detailed statement on compliance with the *Commonwealth Fraud Control Guidelines*. The committee looks forward to learning more of the substantive activities of the NHPA in future reports.

General Practice Education and Training Limited

2.5 General Practice Education and Training Limited (GPET) was incorporated in 2001 under the *Corporations Act 2001* as a wholly owned not-for-profit company,

1 National Health Performance Authority, *Annual Report 2011–2012*, p. iii.

2 National Health Performance Authority, *Annual Report 2011–2012*, p. 26.

'established to fund and oversee general practice vocational training throughout Australia.'³

2.6 During the reporting period, Associate Professor Richard Matthews AM replaced Professor Simon Willcock as Board Chair.

2.7 The committee generally finds the GPET annual report to be well presented and easy to navigate. As noted in chapter 1, the addition of a compliance index to future annual reports would assist the committee in determining compliance with requirements such as work health and safety reporting requirements, significant changes affecting the company under section 40 of the *Commonwealth Authorities and Companies Act 1997*, and judicial decisions and reviews by outside bodies affecting the company. Future reports would also benefit by including further details around staffing, and should include a letter of transmittal.

Private Health Insurance Administration Council

2.8 The Private Health Administration Council (PHIAC) is charged with regulating the private health insurance industry in Australia. It was established as a body corporate under section 82B of the *National Health Act 1953* in 1989, and continues its existence as an independent statutory authority under section 264–1 of the *Private Health Insurance Act 2007*.⁴

2.9 The committee commends the Private Health Insurance Administration Council for a succinct and well-presented annual report that was readable against the *Portfolio Budget Statements 2011–12*.⁵ The committee congratulates PHIAC for exceeding targets for the fund review program.⁶ Future annual reports would benefit from the inclusion of exemptions from reporting requirements and education and performance review of directors in the compliance index.

Families, Housing, Community Services and Indigenous Affairs Portfolio

Equal Opportunity for Women in the Workplace Agency

2.10 The committee notes that the Equal Opportunity for Women in the Workplace Agency (EOWA) became the Workplace Gender Equality Agency after the passage of the *Equal Opportunity for Women in the Workplace Amendment Bill 2012*, after the conclusion of this reporting period. The committee looks forward to learning more of the transition process for the Agency in future annual reports.

3 General Practice Education and Training Limited, *Annual Report 2011–2012*, p. 49.

4 Private Health Insurance Administration Council, *Annual Report 2011–2012*, p. ix.

5 Department of Health and Ageing, *Portfolio Budget Statements 2011–12*, pp. 739–766.

6 Department of Health and Ageing, *Portfolio Budget Statements 2011–12*, p. 751, and Private Health Insurance Administration Council 2012, *Annual Report 2011–2012*, p. 10.

2.11 The committee is also pleased to note that, following from comments in its *Report on Annual Reports 2012(2)*, EOWA has included a comprehensive compliance index in its report.

Indigenous Land Corporation

2.12 The Indigenous Land Corporation (ILC) is a statutory authority under the CAC Act and is enabled by the *Aboriginal and Torres Strait Islander Act 2005*. In the 2011–12 reporting period the ILC appointed four new directors to the Board, including Dr Dawn Casey, who replaced Shirley McPherson as ILC Board Chairperson. The committee acknowledges the important work undertaken by the outgoing ILC board members.

2.13 The committee commends the ILC on its well-presented and comprehensive report, which was clearly readable against the *Portfolio Budget Statements 2011–12*, and makes good use of numerous case studies. The committee is pleased to note the inclusion in the annual report of a thorough compliance index that specifies compliance with the requirements of the *Commonwealth Authorities and Companies (Report of Operations) Orders 2011*. The committee was also impressed that the ILC has demonstrated a commitment to better practice in annual reporting through its compliance with some additional non-mandatory principles from the Requirements for Annual Reports.⁷

Tiwi Land Council

2.14 This is the first annual report received from the new Chairman of the Tiwi Land Council Mr Gibson Farmer Illortaminni. The committee notes the work undertaken over the preceding six years by the outgoing chairman Mr Robert Tipungwuti.

2.15 The report noted that recruitment of new rangers was currently on hold due to funding uncertainty, and it was noted that 'ad-hoc fee for service work cannot sustain ranger programmes'.⁸ Only \$10 858 was invoiced during the reporting period.⁹ On a brighter note, it was reported that the Cadet Ranger Programme continues at Tiwi College, with 12 students currently studying Certificate I in Conservation and Land Management.¹⁰

2.16 It was reported that the Tiwi Land Council has received resource Exploration Licence Applications from Rio Tinto, Kalbar Resources, Tennant Creek Gold, and MBS Oil. The total area subject to these applications constitutes over 90 per cent of the Tiwi islands, as well as the majority of the coastline of both Bathurst and

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

8 Tiwi Land Council, *Annual Report 2010–2011*, p. 12.

9 Tiwi Land Council, *Annual Report 2010–2011*, p. 14.

10 Tiwi Land Council, *Annual Report 2010–2011*, p. 13.

Melville Islands. The report states that although these applications were 'discussed at length':

The Land Council considers that Tiwi Forestry, Maritime Services and Shipping and the Fishing and Tourism businesses that are currently building momentum do promise to yield excellent participatory and working benefits for Tiwi people. There is no evidence we have that mining attracts the same participation of our workforce or the sustainability rewards sought by Tiwi leadership. Prospects of risking up to 90 per cent of our land for "digging up purposes" are an option currently being resisted by a majority of landowners.¹¹

2.17 The committee notes that future reports from the Tiwi Land Council would benefit from the inclusion of a glossary and general index. The compliance indexes for future reports would also be improved by noting where the discussion of ethics and risk management policies, as well as education and performance review processes for directors, can be found in the body of the annual report.

Torres Strait Regional Authority

2.18 The Torres Strait is located in Australia and is part of the north eastern Queensland. The area is approximately 150 kilometres wide at its narrowest point and is situated between the tip of Queensland's Cape York Peninsula and Papua New Guinea. The region consists of over 270 islands and reefs.

2.19 The Torres Strait Regional Authority's (TSRA) annual report provides an overview of the TSRA's efforts towards Closing the Gap. The report highlights a number of achievements in education, early childhood education, economic participation and health.¹² Despite these improvements, there is still much work to be done to close the gap. For instance, it was reported that:

A synthesis of ABS data from the 2011 Census and Queensland Health information shows that death rates continue to be higher in the Torres Strait and Northern Peninsula Area than in mainly Australia with cardiovascular disease, type 2 diabetes, mental illness and substance abuse, accident and injury, neoplasms (cancer)...being responsible for over 64 per cent of the burden of disease in the region.¹³

2.20 Following a review of governance practices, changes have been made to the way in which the TSRA Board operates. Twenty electoral wards have been created with the first election held in September 2012.¹⁴ The TSRA Board consists of 20 elected members who are all Torres Strait Islander or Aboriginal people living in the region. Board Members are elected every four years by their individual communities.

11 Tiwi Land Council, *Annual Report 2010–2011*, p. 23.

12 Torres Strait Regional Authority, *Annual Report 2011–2012*, p. 91.

13 Torres Strait Regional Authority, *Annual Report 2011–2012*, p. 94.

14 Torres Strait Regional Authority, *Annual Report 2011–2012*, p. 103.

2.21 The committee commends the TSRA for receiving a highly commended award at the Institute of Public Administration Australia (IPAA) ACT Division Annual Report Awards. The committee particularly commends the TSRA for its comprehensive and well-structured compliance index.

Annual reports of Statutory Office Holders

Executive Director of Township Leasing

2.22 The Executive Director of Township Leasing was established as an independent statutory office under section 20B of the *Aboriginal Land Rights (Northern Territory) Act 1976* to 'hold and administer certain types of leases on behalf of the Commonwealth.'¹⁵ During the reporting period Greg Roche was the acting Executive Director Township Leasing.

2.23 The report notes that a second whole of township lease in the Tiwi Islands was signed during the reporting period following renewed negotiations between the Tiwi Land Council and the Department of Families, Housing, Community Services and Indigenous Affairs. The report states that,

The Traditional Owners of Milikapiti and Wurankuwu were inspired to enter negotiations after seeing the benefits to Wurrumiyanga from its Whole of Township Lease... As part of the township lease agreement the Milikapiti and Wurankuwu communities received an advance rental payment of \$1 760 000 and \$190 000 respectively for the first 15 years operation of the lease, and a community benefits package. The community benefits package comprised \$160 000 for Wurankuwu and \$3 million for Milikapiti. In accordance with community wishes this has been spent on a multipurpose demountable for Wurankuwu, and will go towards housing in Milikapiti.¹⁶

2.24 The committee looks forward to discussion of further progress in the area of township leasing in future annual reports.

15 Executive Director of Township Leasing, *Annual Report 2011–2012*, p. 8.

16 Executive Director of Township Leasing, *Annual Report 2011–2012*, p. 1.

Non-statutory advisory panel

Advisory Panel on the Marketing in Australia of Infant Formula

2.25 The committee commends the Advisory Panel on the Marketing in Australia of Infant Formula for continuing to produce an annual report to Parliament when there is no legislative requirement for it to do so.

Senator Claire Moore

Chair