

CHAPTER 2

ANNUAL REPORTS OF AGENCIES

2.1 The annual reports of the following agencies were referred to the committee for examination and report during the period 1 May to 31 October 2013:

Attorney-General's Portfolio

Prescribed agencies

- Administrative Appeals Tribunal
- Australian Commission for Law Enforcement Integrity¹
- Australian Crime Commission²
- Australian Federal Police³
- Australian Human Rights Commission
- Office of the Australian Information Commissioner
- Australian Institute of Criminology
- Australian Law Reform Commission
- Australian Security Intelligence Organisation
- Australian Transaction Reports and Analysis Centre
- Office of the Director of Public Prosecutions
- Office of the Commonwealth Ombudsman⁴
- CrimTrac Agency
- Family Court of Australia
- Family Law Council
- Federal Circuit Court of Australia
- Federal Court of Australia
- Insolvency and Trustee Service Australia⁵

1 Also stands referred to the Parliamentary Joint Committee on the Australian Commission for Law Enforcement Integrity, under the *Law Enforcement Integrity Commissioner Act 2006*.

2 Also stands referred to the Parliamentary Joint Committee on Law Enforcement under the *Australian Crime Commission Act 2002*.

3 Also stands referred to the Parliamentary Joint Committee on Law Enforcement under the *Australian Federal Police Act 1979*.

4 Also forwarded to the Finance and Public Administration Legislation Committee.

5 On 15 August 2013 the Insolvency & Trustee Service Australia was renamed the Australian Financial Security Authority.

- National Archives of Australia and National Archives of Australia Advisory Council
- Office of Parliamentary Counsel

Commonwealth authorities

- Australian Government Solicitor
- Australia Council
- Australian Film, Television and Radio School
- Australian National Maritime Museum
- National Film and Sound Archive of Australia
- National Gallery of Australia
- National Library of Australia
- National Museum of Australia
- Screen Australia

Commonwealth companies

- Bundanon Trust Limited

Other bodies

- Classification Board and Classification Review Board
- Copyright Agency Limited

Immigration and Citizenship Portfolio⁶

Statutory bodies

- Australian Customs and Border Protection Service
- Office of the Migration Agents Registration Authority

Consideration of annual reports

2.2 The committee considered, but has not reported on, the annual reports of the Australian Commission for Law Enforcement Integrity and the Australian Crime Commission, as the Parliamentary Joint Committee on the Australian Commission for Law Enforcement Integrity and the Parliamentary Joint Committee on Law Enforcement have specific responsibility for overseeing these agencies.

2.3 Similarly, the committee has considered, but not reported on, the annual reports of the Australian Federal Police and the Office of the Commonwealth Ombudsman, as the Parliamentary Joint Committee on Law Enforcement and the Senate Finance and Public Administration Legislation Committee have specific responsibility for overseeing these agencies.

6 Following a resolution of the Senate in November 2013, the portfolio was renamed the Immigration and Border Protection portfolio.

2.4 On this occasion, the committee has examined in more detail the reports of the Copyright Agency Limited, the National Library of Australia and the Australian Human Rights Commission.

Copyright Agency Limited

2.5 The committee understands that the Copyright Agency Limited (CAL) is a not-for-profit rights management organisation or 'declared collecting society' and operates in accordance with the *Corporations Act 2001* as a public company, limited by guarantee.⁷

2.6 The agency is appointed by the Australian government to manage the statutory licences in the *Copyright Act 1968* (Copyright Act).⁸ The licences regulate the use of text, images and print music, by educational institutions and people with disabilities, and for reproduction by Commonwealth, state and territory governments.⁹ CAL assists in reproducing, storing and sharing copyright material whilst delivering fair payment to the rights owners of content and managing the resale royalty schemes of artists.¹⁰

2.7 The committee corresponded with the agency in 2003 to identify CAL's annual reporting requirements and it was noted that the agency observes obligatory reporting requirements as a declared collecting society, submitting its annual report and accounts of operations for each financial year to the Attorney-General in accordance with section 135ZZD of the Copyright Act. The agency also complies with the requirements in the Attorney-General's Guidelines for Declared Collecting Societies.¹¹

2.8 The 2011–12 annual report of CAL was tabled in the Senate on 25 June 2013, almost one year after the end of the 2011–12 financial year, but during the reporting period for this report on annual reports. Despite this, the report was tabled in accordance with its respective legislative requirements, which provide that:

- (1) A collecting society shall, as soon as practicable after the end of each financial year, prepare a report of its operations during that financial year and send a copy of the report to the Minister.
- (2) The Minister shall cause a copy of the report sent to the Minister under subsection (1) to be laid before each House of Parliament within 15 sitting days of that House after the receipt of the report by the Minister.¹²

7 *Copyright Agency Limited Annual Report 2011–12*, pp 32–33 and 36. See also *Copyright Agency Limited Annual Report 2012–13*, p. 24.

8 *Copyright Agency Limited Annual Report 2011–12*, pp 32 and 35.

9 *Copyright Agency Limited Annual Report 2011–12*, pp 32 and 35.

10 *Copyright Agency Limited 2011–12 Annual Report*, p. 6.

11 *Copyright Agency Limited Annual Report 2011–12*, pp 35–36.

12 *Copyright Act 1968*, subsections 135ZZD(1) and (2).

2.9 The committee is satisfied that the annual report of CAL met all of its reporting requirements under section 135ZZD of the Copyright Act. Furthermore, as a public company limited by guarantee,¹³ the agency adequately addressed its reporting responsibilities towards its members. Useful information was included in the report, such as a description of the licences CAL offers to its members in order to licence certain uses of their material, as well as the statutory licences CAL is required to manage as a consequence of its appointment as a collecting society by the Australian government.¹⁴ The report also included informative statistics relating to the collection of licence fees and payments to content creators.¹⁵

2.10 Some possible areas for improvement were identified by the committee. For example, the report is separated into three parts, each with its own table of contents. The committee suggests integrating the information into a single table of contents at the beginning of the report to ensure information can be easily located. Similarly, the addition of an index would be a useful reference tool. Further, the report lists the legislation and guidelines that outline the agency's governance and accountability obligations.¹⁶ The committee suggests supplementing this information with the specific provisions in the legislation that are applicable to the preparation of the annual report. This would be particularly instructive, as the committee understands it has not been general practice for the agency to include a copy of the letter of transmittal in the annual report for some years.

2.11 The agency reported an increase in membership of 4515 members in 2011–12, representing the largest number recorded in a year, and an eighty per cent increase from the last two reporting periods, bringing total membership in 2011–12 to 24 342 members.¹⁷ The agency saw an increase in revenue from the previous year of 2.6 per cent, reporting total revenue of \$126.1 million in 2011–12.¹⁸ Amongst the company activities outlined in the Chair's report was the achievement during the 2011–12 reporting period of the distribution of a total of one billion dollars to their membership since the establishment of the agency, a significant milestone.¹⁹

2.12 The committee considers the report of the CAL to be 'apparently satisfactory'.

National Library of Australia

2.13 The National Library of Australia is a statutory body established under section 5 of the *National Library Act 1960*. It is also a Commonwealth authority under the CAC Act for annual reporting purposes and is therefore required to comply with

13 *Copyright Agency Limited Annual Report 2011–12*, p. 35.

14 *Copyright Agency Limited Annual Report 2011–12*, pp 43–55.

15 *Copyright Agency Limited Annual Report 2011–12*, pp 56–72.

16 *Copyright Agency Limited Annual Report 2011–12*, p. 35.

17 *Copyright Agency Limited Annual Report 2011–12*, p. 12.

18 *Copyright Agency Limited Annual Report 2011–12*, p. 18.

19 *Copyright Agency Limited Annual Report 2011–12*, p. 4.

ministerial orders under section 48 of the CAC Act, which are provided in the *Commonwealth Authorities (Annual Reporting) Orders 2011*.

2.14 The 2012–13 annual report of the National Library of Australia was submitted to the minister on 16 October 2013 and presented out of session on 31 October 2013. The agency just missed the deadline under subsection 9(1) of the CAC Act, which requires the report to be provided to the responsible minister by the 15th day of the 4th month after the end of the financial year. The committee is not aware of any extensions granted by the minister under subsection 34C(5) of the *Acts Interpretation Act 1901*.

2.15 The committee is pleased to note that the annual report of the National Library of Australia 2012–13 was well-presented, and the content included in the report was relevant, coherent and concise.

2.16 The Director-General's review highlighted significant developments throughout the reporting period. Among them were the recent advances in the Library's ongoing transition from a print-based collecting model to a digital library model.²⁰ The report's performance information summarised the agency's involvement in major initiatives over the reporting period in response to the changing digital environment.

2.17 For example, the Annual Report on Operations included the agency's progress in redeveloping its digital infrastructure to enable more effective digitisation and storage of its collections through the Digital Library Infrastructure Replacement Project. The first phase of the project's implementation began in early 2013, with commencement of digitisation scheduled for 2013–14.²¹

2.18 Of particular interest to the committee was the Library's engagement in consultations for the extension of legal deposit provisions to include material published in digital form.²² The realisation of the need for a legislative framework, enabling the preservation of material published in digital form was realised through a variety of contributing factors including the significant decline in the number of Australian print publications received through legal deposit in recent years, with a notable decrease in 2012–13.²³

2.19 In conclusion, the committee considers the annual report of the National Library of Australia to be 'apparently satisfactory', with close adherence to the reporting requirements.

20 *National Library of Australia Annual Report 2012–13*, p. 5.

21 *National Library of Australia Annual Report 2012–13*, pp 5–6 and 54.

22 *National Library of Australia Annual Report 2012–13*, pp 5–6 and 54.

23 *National Library of Australia Annual Report 2012–13*, p. 55.

Australian Human Rights Commission

2.20 The 2012–13 annual report of the Australian Human Rights Commission (the commission) was presented out of session in a timely manner on the 29 October 2013 and tabled in the Senate on the 12 November 2013.

2.21 The commission is a national independent statutory body, subject to annual reporting requirements under section 45 of its enabling legislation, the *Australian Human Rights Commission Act 1986* (AHRC Act).²⁴ Furthermore, as a prescribed agency under the *Financial Management and Accountability Act 1997* (FMA Act) the commission is also obliged to prepare annual reports according to the criteria in the Requirements for Annual Reports.²⁵ The committee finds that generally, the information included in the annual report gave a fair overview of the commission's role, functions, and work throughout the year. The report included material that is largely effective in meeting the Requirements for Annual Reports to report on performance, management and accountability and the financial position of the commission throughout the 2012–13 reporting period.

2.22 However, the committee expresses its concern at the commission's apparent disregard for some of the reporting obligations in the Requirements for Annual Reports, as demonstrated by the repeated omission of a mandatory and integral reporting requirement from the commission's annual report in recent years; namely the compliance index, set out in Attachment F of the Annual Reporting Requirements.²⁶

2.23 The inclusion of a compliance index in the commission's annual report would vastly improve the report's clarity by increasing the accessibility of the information. Making the reporting criteria more available for examination would also enhance the transparency with which the commission reports on its yearly activities, by ensuring the annual report fulfils its main function of appropriately providing information on organisational administration and performance for parliamentary scrutiny.

2.24 The committee finds the agency's performance reporting to provide a fair evaluation of most of the commission's KPIs set out in the Portfolio Budget Statements (PBS);²⁷ however, the committee could not locate any information in the annual report describing the commission's performance against the first and last KPIs listed in the PBS, specifically:

- customer/stakeholder survey to rate the effectiveness of major educational and promotional activity; and
- extent of contact with government, community and industry groups.²⁸

24 *Australian Human Rights Commission Annual Report 2012–13*, p. 1.

25 DPMC, *Requirements for Annual Reports*, 24 June 2013, Part 1, subsection 3(1).

26 DPMC, *Requirements for Annual Reports*, 24 June 2013, Attachment F.

27 *Portfolio Budget Statements 2012–13, Attorney-General's Portfolio*, pp 185–202.

28 *Portfolio Budget Statements 2012–13, Attorney-General's Portfolio*, p. 191.

2.25 Furthermore, a 'clear read' between the PBS and annual report was not achieved, as much of the information included in the PBS that gives context to the commission's outcome and stated performance targets was not included in the annual report (such as the objectives and deliverables of the agency's program). The commission's stated outcome and program were not referred to in performance reporting, although they were included in other areas of the report, in the context of the departmental overview and financial reporting.²⁹

2.26 The committee suggests including the commission's planned outcomes and objectives from the PBS in the annual report, to accompany the actual results against KPIs for the reporting period. This would provide valuable background to the commission's own evaluation of its effectiveness in achieving planned outcomes.

2.27 Conversely, the report provided a comprehensive analysis of the agency's performance against the three KPIs that address the commission's complaints handling in 2012–13.³⁰ The committee understands a large component of the commission's work is attributed to resolving discrimination and human rights complaints,³¹ and is pleased to note that the commission exceeded all of the KPI targets associated with complaint handling.³² The report also included a useful breakdown and analysis of complaint statistics.³³ The committee notes there was a 35 per cent decrease in complaints received under the AHRC Act, which the report attributed to a decrease in the number of complaints about immigration detention.³⁴

2.28 The committee considers the Australian Human Rights Commission annual report 2012–13 to be 'apparently satisfactory', but expresses some concern about its overall quality due to the absence of some reporting requirements. The committee is hopeful there will be improvements in the reporting standards of annual reports from the commission in the future.

29 *Australian Human Rights Commission Annual Report 2012–13*, pp 2, 81, 116–119 and 122–123.

30 *Australian Human Rights Commission Annual Report 2012–13*, pp 61 and 124–147.

31 *Australian Human Rights Commission Annual Report 2012–13*, p. 3.

32 *Australian Human Rights Commission Annual Report 2012–13*, p. 61.

33 *Australian Human Rights Commission Annual Report 2012–13*, pp 124–147.

34 *Australian Human Rights Commission Annual Report 2012–13*, p. 124.

