Chapter 3

Annual reports of statutory authorities and agencies

3.1 The committee has selected a number of annual reports for closer examination. The annual reports selected provide an overview of all portfolios and include specific areas of interest to the committee. The committee will give consideration to annual reports received after 31 October 2010 in its *Report on Annual Reports (No.2) 2011*. On this occasion, the reports of the following statutory authorities and agencies will be examined:

- Australian Institute of Health and Welfare;
- Health Workforce Australia;
- Indigenous Business Australia;
- Australian Hearing;
- Equal Opportunity for Women in the Workplace; and
- Centrelink.

3.2 A complete list of reports referred to the committee for examination and report can be found at Appendix 1.

Health and Ageing Portfolio

Statutory authorities

Australian Institute of Health and Welfare

3.3 The Australian Institute of Health and Welfare (AIHW) produces national information and statistics on health, community services and housing assistance. AIHW published 119 reports throughout the year including Australia's welfare 2009 and Australia's health 2010.[1]

3.4 The Institute has taken a leadership role in the development and reporting of data for the national performance indicators required by the COAG reform process. To meet the increased demand in AIHW services, largely due to the COAG reform, staff numbers increased by about a third, from 270 to 372 in the course of the year which necessitated the leasing of a new building (next to the primary one). As a result of these developments, the AIHW's appropriation was more than twice the amount of the previous year, growing from $9.3 million to $20.7 million.[2]

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1 Australian Institute of Health and Welfare, *Annual Report 2009-10*, p. viii.

2 Australian Institute of Health and Welfare, *Annual Report 2009-10*, pp viii–xi.

3.5 Chapter 2 of the report discusses in further detail AIHW's performance against each strategic direction; key deliverables and performance indicators included in the PBS; as well as a summary of financial results.

Health Workforce Australia

3.6 The committee notes this is Health Workforce Australia's (HWA) first annual report. HWA was established to oversee the COAG Health Workforce national Partnership Agreement which aims to increase the supply of health professionals by providing them with individual support and assisting them to work together, and improve the care people receive.

3.7 Health Workforce Australia was established in early 2010 by the Council of Australian Governments to deliver programs in workforce planning, workforce research, support clinical training and education, support innovation in the health workforce and aid recruitment and retention of health professionals. HWA is a cross-jurisdictional body operating in both government and non-government sectors.

3.8 The committee encourages HWA to comply with the *Printing standards for documents presented to Parliament*, which specify that all documents to be presented in Parliament must be printed in international B5 size.

Families, Housing, Community Services and Indigenous Affairs Portfolio

Indigenous Business Australia (IBA)

3.9 The committee commends the IBA for producing a clear, concise and well constructed annual report. The compliance index greatly assisted the committee in determining whether reporting requirements had been met. The committee found reporting on all legislative requirements to be of a high standard. The committee congratulates IBA on its 20 years of operation.

3.10 The committee found IBA's reporting on performance to be of a high standard, noting the use of tables as a helpful component in establishing whether the PBS targets had been met. The committee notes within Home Ownership – Output Group 1.2, IBA has exceeded the PBS targets. IBA attributes this to an 'increased focus on low-income earners', allowing the percentage of loans to applicants with an adjusted combined gross monthly income of not more than 125 per cent increase from 83 per cent in 2007-08 to 88 per cent in 2009-10, and the percentage of loans to first home buyers from 86 to 92 per cent.[3] IBA regard home ownership as being high on the national agenda and identifies it as one of the priorities in the Council of Australian Governments' Closing the Gap agenda.[4]

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3 Indigenous Business Australia, *Annual Report 2009-10*, pp 16–7 and 39.

4 Indigenous Business Australia, *Annual Report 2009-10*, pp 4 and 9.

3.11 For the financial year 2009-10, IBA reported a $56.5 million deficit. However the committee notes Mr Bruce Gemmell, Chief Executive Officer, and his explanation that the results are:

> ...[H]eavily impacted by the non-cash effect of accounting standards (which requires the value of IBA loans to be discounted to reflect the concessional element of interest rates charged) and write-down of the holding value of some investments. Results were also impacted by the transfer of assets.[5]

3.12 Taking into account these effects, the results before accounting for the 'one-off or extraordinary items' were a modest surplus.[6]

Human Services Portfolio

Australian Hearing

3.13 Australian Hearing Services (AHS) has a national network of hearing centres as well as a research division, the national Acoustic Laboratories. The two key programs administered by AHS are the Community Service Obligation (CSO) program and the commercial Voucher program. The CSO program caters to children under 21, Indigenous adults over 50 and adults with complex hearing needs.[7] This year the CSO client numbers increased by 7.5 per cent with a significant increase of 25.9 per cent in the Indigenous aided children category and 16.3 per cent for the Indigenous Eligibility clients.[8]

3.14 AHS fitted 2,035 children and young adults with hearing aids for the first time in the 2009 calendar year, of which 310 were Indigenous clients.[9] In response to the government's Closing the Gap initiative, AHS expanded its services to an additional 400 children across Top End and Central Desert communities.[10]

3.15 This year AHS reported a profit of $13.2 million, surpassing the targeted range of $11.4 million and an increase of 15 per cent on the previous financial year. As well as a useful summary on financial performance, the report clearly presents the audited financial statements.[11]

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5 Indigenous Business Australia, *Annual Report 2009-10,* p. 8.

6 Indigenous Business Australia, *Annual Report 2009-10,* p. 8.

7 Australian Hearing, *Annual Report 2009-10,* pp 1–3.

8 Australian Hearing, *Annual Report 2009-10,* p. iii.

9 Australian Hearing, *Annual Report 2009-10,* p. iii

10 Australian Hearing, *Annual Report 2009-10,* p. 8.

11 Australian Hearing, *Annual Report 2009-10,* pp 16–17 and 76–96.

3.16 The committee commends AHS on its efforts to comply with the requirements contained in the Commonwealth Authorities and Companies (Report of Operations) Orders 2008, and the inclusion of a compliance index.[12]

Prescribed agencies

Equal Opportunity for Women in the Workplace Agency (EOWA)

3.17 The committee notes Part III, Subsection 12(1) of the *Equal Opportunity for Women in the Workplace Act 1999*, which requires EOWA as soon as practicable, and in any event within 6 months, after each 31 May, to submit to the Minister a report on its operations. The committee finds EOWA's annual report 2009-10 to have complied with that requirement, noting the report was received by the Senate on 21 December 2010 (tabled 9 February 2011).[13]

3.18 The committee notes the annual report does not contain a list of requirements, as set out in the Requirements for Annual Reports and reminds EOWA that the inclusion of this list would greatly assist the committee.[14]

3.19 The committee appreciates EOWA's report on performance, provided in a clear format, with the use of tables; however the outcomes could have a clearer indication of whether or not these were achieved.[15]

3.20 In accordance with Subsection 19(1), EOWA is required to name organisations that have not complied with Sections 13, 13A, 13B and 13C of the Act.[16] EOWA lists 12 organisations, noting the number of years the organisation has been found to be non-compliant.[17]

3.21 The committee notes EOWA has included reporting against the following legislation:

- *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) section 516A;
- *Freedom of Information Act 1982* (FOI Act) subsection 8(1); and
- *Occupational Health and Safety (Commonwealth Employment) Act 1991* (OH&S Act) section 74.

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12 Australian Hearing, *Annual Report 2009-10*, p. 102.

13 Equal Opportunity for Women in the Workplace, *Annual Report 2009-10*, p. 1.

14 See 'List of Requirements' in Department of the Prime Minister and Cabinet, *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, June 2010, pp 33–35.

15 Equal Opportunity for Women in the Workplace, *Annual Report 2009-10*, pp 14–16.

16 *Equal Opportunity for Women in the Workplace Act 1999.*

17 Equal Opportunity for Women in the Workplace, *Annual Report 2009-10*, p. 81.

3.22 However the committee reminds EOWA that under the Requirements for Annual Reports and section 18 of the CAC Orders, an assessment of an agency's performance in implementing the Commonwealth Disability Strategy (the Strategy) must be provided in accordance with the terms set out in the Guide to Performance Reporting Framework.[18]

Centrelink

3.23 The committee notes the implementation of the Government's service delivery reform agenda, which includes the portfolio integration of the Department of Human Services, Medicare Australia and Centrelink. This includes spreading staff and responsibilities across a number of areas. The committee notes that Centrelink reports that this process went smoothly.[19]

3.24 The committee finds Centrelink's annual report provides a large amount of information in an effective and clear manner. The committee commends Centrelink on the inclusion and quality of its compliance index, as it greatly assisted the committee in establishing whether all reporting requirements had been met.

3.25 Centrelink highlights measures in place to simplify and automate services as a key achievement. Simplifying and automating services gives customers several options in the method of carrying out a number of tasks, including:

- Self-service printing for income statements;
- Applications for payment and rent certificates;
- Applications for advance payments;
- Reporting income statements; and
- Online registration for Newstart Allowance.

3.26 Centrelink reports that implementing online services has reduced the time customers need to spend filling out forms and the need for staff to process hard copies. Online services also reduce the length of queues in Customer Service Centres.[20]

3.27 The committee notes that the report on performance is thorough and covers a large range of areas. The report would benefit if the performance reporting data were collated and combined into a central part of the report, however the committee notes the inter-departmental nature of Centrelink's work and understands this can create difficulties in reporting.

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18 Department of Prime Minister and Cabinet, *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, June 2010, p. 14;

19 Centrelink, *Annual Report 2009-10*, pp iii and 2.

20 Centrelink, *Annual Report 2009-10*, pp 3 and 26.

Senator Claire Moore
Chair