

The Senate

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Standing Committee on Economics

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# Senate Standing Committee on Economics

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# REVIEW OF ANNUAL REPORTS

## Introduction

1.1 Annual reports of departments and agencies are referred to Senate Standing Committees under Senate Standing Order 25(20) in accordance with an allocation of departments and agencies in a resolution of the Senate.

1.2 The Standing Committee on Economics is responsible for the scrutiny of departments and agencies in the following portfolios:

- Innovation, Industry, Science and Research;
- Resources, Energy and Tourism; and
- Treasury.<sup>1</sup>

1.3 The structures and outcomes for each of these portfolios are summarised in Appendices 5, 6 and 7, respectively.

1.4 Standing order 25(20) requires the committee to:

- examine each annual report referred to it and report to the Senate whether the report is apparently satisfactory;
- consider in more detail, and report to the Senate on, each annual report which is not apparently satisfactory, and on the other annual reports which it selects for more detailed consideration;
- investigate and report to the Senate on any lateness in the presentation of annual reports;
- in considering an annual report, take into account any relevant remarks about the report made in debate in the Senate;
- if the committee so determines, consider annual reports of departments and budget-related agencies in conjunction with examination of estimates;
- 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;
- draw to the attention of the Senate any significant matters relating to the operations and performance of the bodies furnishing the annual reports; and
- 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.<sup>2</sup>

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1 *Journals of the Senate*, No. 2, 13 February 2008, pp 97–98.

2 Standing Order 25(20), *Standing Orders and other orders of the Senate*, September 2006, p. 27.

## Purpose and requirements of annual reports

1.5 Annual reports provide information on the success (or otherwise) of departments and agencies in meeting targets outlined in the portfolio budget statements, their primary function being to assist in ensuring the public accountability of government departments and agencies. This is undertaken through the tabling of annual reports in the Parliament; and their scrutiny by Senate committees in accordance with Senate Standing Order 25(20). This process thus allows Parliament to make informed judgments on the executive's performance in administering government programs.

1.6 Departments of State and Executive Agencies present their annual reports pursuant to sections 63(2) and 70(2) of the *Public Service Act 1999*, respectively. For 2006–07, these are required to comply with the Department of the Prime Minister and Cabinet's *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, approved by the Joint Committee of Public Accounts and Audit on 13 June 2007.<sup>3</sup>

1.7 Section 3(1) of the *Requirements for Annual Reports* states that 'As a matter of policy, they [the annual reporting requirements] also apply to prescribed agencies under section 5 of the *Financial Management and Accountability Act 1997*' (FMA Act)<sup>4</sup>. The 2006–07 financial statements of departments and agencies subject to the FMA Act must be produced in accordance with the *Financial Management and Accountability Orders (Financial Statements for reporting periods ending on or after 1 July 2006)*.

1.8 Commonwealth authorities and companies present their annual reports pursuant to their own enabling legislation and/or sections 9 and 36 of the *Commonwealth Authorities and Companies Act 1997* (CAC Act), respectively. 2006–07 reports of Commonwealth authorities subject to the CAC Act must be produced in accordance with the *Commonwealth Authorities and Companies (Report of Operations) Orders 2005* and the *Commonwealth Authorities and Companies Orders (Financial Statements for reporting periods ending on or after 1 July 2006)*. Annual reports of Commonwealth companies are required to be based on the reporting requirements under the *Corporations Act 2001*.

1.9 The Department of Finance and Deregulation (Finance) publishes a chart which shows which agencies are subject to the FMA Act and the CAC Act. This information is also available on the Finance website at <http://www.finance.gov.au/financial-framework/fma-legislation/fma-agencies.html>; and <http://www.finance.gov.au/financial-framework/cac-legislation/cac-bodies.html>.

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3 The latest version of the *Requirements for Annual Reports* can be found on the DPMC website at: [http://www.dpmc.gov.au/guidelines/docs/annual\\_report\\_requirements.pdf](http://www.dpmc.gov.au/guidelines/docs/annual_report_requirements.pdf).

4 Department of the Prime Minister and Cabinet, *Requirements for Annual Reports*, 13 June 2007, p.1.

1.10 The enabling legislation of some agencies may require that agency to report on matters other than those included in the guidelines, or impose different reporting requirements, for example in relation to the date by which the report should be presented. The committee's view is that such agencies, while bound by their enabling legislation, should also comply with the requirements imposed under the government's policy, to the extent that the requirements do not conflict.

### **Reports referred to the committee**

1.11 Under Standing Order 25(20)(f), the committee is required to report on the annual reports of departments and agencies tabled between 1 November and 30 April each year by the tenth sitting day after 30 June of that year. This year that date is 17 September 2008. The committee is also required to report on annual reports tabled between 1 May and 31 October each year by the tenth sitting day of the following year.

1.12 This report examines the following annual reports which were tabled in the Senate or presented to the President between 1 November 2007 and 30 April 2008:

- Anglo-Australian Observatory (AAO)–Anglo-Australian Telescope Board (AATB) – Annual Report 2006–07
- Australian Competition and Consumer Commission (ACCC) – Annual Report 2006–07
- Australian Institute of Marine Science (AIMS) – Annual Report 2006–07
- Australian Nuclear Science and Technology Organisation (ANSTO) – Annual Report 2006–07
- Australian Prudential Regulation Authority (APRA) – Annual Report 2006–07
- Australian Reinsurance Pool Corporation (ARPC) – Annual Report 2006–07
- Australian Securities and Investments Commission (ASIC) – Annual Report 2006–07
- Australian Taxation Office (ATO) – Annual Report 2006–07
- Companies Auditors and Liquidators Disciplinary Board (CALDB) – Annual Report 2006–07
- Corporations and Markets Advisory Committee (CAMAC) – Annual Report 2006–07
- Financial Reporting Council (FRC), Australian Accounting Standards Board (AASB), Auditing and Assurance Standards Board (AUASB) – Annual Reports 2006–07
- Financial Reporting Panel (FRP) – Annual Report 2006–07
- Foreign Investment Review Board – Annual Report 2006–07

- IIF Investments Pty Limited, IIF (CM) Investments Pty Limited, IIF BioVentures Pty Limited, IIF Foundation Pty Limited and IIF Neo Pty Limited (IIF companies) – Annual Reports 2006–07
- Innovation Australia: Activities of the Industry Research and Development Board (IRDB) – Annual Report 2006–07
- Innovation Australia: Activities of the Venture Capital Registration Board (VCRB) – Annual Report 2006–07
- Inspector-General of Taxation (IGT) – Annual Report 2006–07
- National Competition Council (NCC) – Annual Report 2006–07
- Productivity Commission – Annual Report 2006–07
- Superannuation Complaints Tribunal (SCT) – Annual Report 2006–07
- Takeovers Panel – Annual Report 2006–07
- Tourism Australia – Annual Report 2006–07

## **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 Section 4 of the *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies* states that annual reports of departments and agencies under the FMA Act framework are to be presented to each House of Parliament on or before 31 October in the year the report is given.

1.15 Section 9 of the CAC Act stipulates that the deadline for furnishing the Minister with the annual reports of Commonwealth agencies is the 15th day of the 4th month after the end of the financial year, that is, 15 October where the end of the financial year is 30 June. Section 36 of the CAC Act stipulates that Commonwealth companies must give their annual reports to the responsible Minister by the earlier of the following:

- four months after the end of the financial year, or
- 21 days before the next annual general meeting of the company after the end of the financial year.

1.16 Government agencies reporting in accordance with their own legislation are often required to prepare for the relevant Minister their annual report 'as soon as is practicable' after a particular date. The committee draws attention to sections 34C(2) and (3) of the *Acts Interpretation Act 1901*, which stipulate that where no date for providing a report to a Minister is specified, the report should be presented no more than six months after the reporting period, and the Minister must provide the report to the Parliament within 15 sitting days after he or she receives it.

1.17 While the legislative requirements for the tabling of annual reports vary between different types of agencies the Government's policy is 'that all annual reports should be tabled by 31 October'.<sup>5</sup> This ensures that annual reports are available for scrutiny by Senate committees at the supplementary budget estimates hearings (these hearings are usually scheduled in early November, although the 2008–09 supplementary budget estimates round is an exception).

1.18 The committee notes that none of the annual reports considered in this report have met the requirement set down by this policy. The committee is mindful that a likely reason for this delay was the timing of the 2007 federal election. However, the committee brings to the attention of all departments and agencies the provision of presenting documents to the President of the Senate when the Senate is not sitting.<sup>6</sup> Documents presented in this manner under Standing Order 166 are deemed to be tabled out of session on the date on which they are presented to the President.<sup>7</sup> The prorogation of Parliament during the election period does not effect this provision.

1.19 While it is government policy that all annual reports should be tabled by 31 October, dates for the tabling of annual reports set in legislation vary between agencies and as such will be considered in the specific comments on annual reports below.

### **Other comments on reports**

1.20 In accordance with Standing Order 25(20)(a) the committee is required to examine reports and inform the Senate as to whether they are 'apparently satisfactory'. The committee considers compliance with the reporting guidelines specified by the legislation under which departments and agencies present their annual reports.

1.21 The committee considers that the reports it has examined are generally 'apparently satisfactory'.

1.22 While no longer mandatory under the reporting requirements, the committee recommends the inclusion of a compliance index in annual reports, which preferably

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5 Department of the Prime Minister and Cabinet, *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, 13 June 2007, p.2; Department of the Prime Minister and Cabinet, *Tabling Circular No. 1/2008, Tabling of 2007–08 Departmental and Agency Annual Reports*, p. 1; and Department of the Prime Minister and Cabinet, *Guidelines for the Presentation of Government Documents to the Parliament (Including Government Responses to Committee Reports, Ministerial Statements, Annual Reports and Other Instruments)*, paragraphs 4.3–4.18.

6 See Department of the Prime Minister and Cabinet, *Guidelines for the Presentation of Government Documents to the Parliament (Including Government Responses to Committee Reports, Ministerial Statements, Annual Reports and Other Instruments)*, paragraphs 8.1–8.7.

7 The committee noted similar delays and made similar suggestions around the time of the 2004 federal election (see Economics Legislation Committee, *Report on Annual Reports (No. 1) of 2005*, March 2005, p. 4).

should include a nil return entry where the agency has nothing to report under an item. A compliance index is a useful feature of reports and considerably assists the committee's task of assessing reports. It also assists agencies by clearly showing that their compliance obligations have been met.

1.23 Where agencies have reporting requirements under various Acts the inclusion of a comprehensive compliance index covering all relevant requirements is a useful addition to agency annual reports. The committee commends the Australian Prudential Regulation Authority, Australian Taxation Office and Productivity Commission for their inclusion of comprehensive indexes in their 2006–07 annual reports.

***Anglo-Australian Observatory (AAO)–Anglo-Australian Telescope Board (AATB) – Annual Report 2006–07***<sup>8</sup>

1.24 The Anglo-Australian Observatory (AAO) was established by the *Agreement between the Government of the Commonwealth of Australia and the Government of the United Kingdom of Great Britain and Northern Ireland to provide for the Establishment and Operation of a Large Optical Telescope (Canberra, 25 September 1969)* (the Agreement). The Anglo-Australian Telescope Board oversees the operations of the AAO and presents its annual report to both the Australian and UK Governments in accordance with Article 8 of the Agreement and section 19 of the *Anglo-Australian Telescope Agreement Act 1970* (the AATA Act).

1.25 The committee considers that the AATB has met its reporting requirements under the Agreement and the AATA Act.

***Australian Competition and Consumer Commission (ACCC) – Annual Report 2006–07***<sup>9</sup>

1.26 The Australian Competition and Consumer Commission (ACCC) is a prescribed agency under the FMA Act. The ACCC therefore presents its report in accordance with the *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*. Further requirements for its report are specified in sections 44AAJ and 171 of the *Trade Practices Act 1974* (the TP Act).

1.27 The committee considers that the ACCC has largely met its reporting requirements. However, the report was not tabled in the Senate until 11 March 2008, well after the 31 October deadline specified in the requirements for FMA Act bodies. This is despite the original letter of transmittal being dated 29 August 2007 (within the 60-day limit specified in the TP Act), thereby meaning the report could have been tabled in the Senate in September 2007 or presented out of sitting to the President under the provisions of Standing Order 166 before the 31 October deadline.

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8 See also comments under 'timeliness' at paragraphs 1.17–1.18.

9 See also comments under 'timeliness' at paragraphs 1.17–1.18.

1.28 The committee also suggests that the report would benefit from a more comprehensive compliance index, particularly given the detailed requirements specified in the TP Act.

***Australian Institute of Marine Science (AIMS) – Annual Report 2006–07***<sup>10</sup>

1.29 The Australian Institute of Marine Science (AIMS) is a Commonwealth authority and therefore reports under section 9 of the CAC Act.

1.30 The committee considers AIMS report to be satisfactory and commends AIMS for including a compliance index in its report.

***Australian Nuclear Science and Technology Organisation (ANSTO) – Annual Report 2006–07***<sup>11</sup>

1.31 The Australian Nuclear Science and Technology Organisation (ANSTO) is a Commonwealth authority and therefore reports under section 9 of the CAC Act. Section 29 of the *Australian Nuclear Science and Technology Organisation Act 1987* specifies extra matters to be included in ANSTO's annual report.

1.32 The committee considers that ANSTO has met its reporting requirements under these Acts and commends ANSTO for including a compliance index in its report.

***Australian Prudential Regulation Authority (APRA) – Annual Report 2006–07***<sup>12</sup>

1.33 For the 2006–07 financial year the Australian Prudential Regulation Authority (APRA) reported under section 9 of the CAC Act and section 59 of the *Australian Prudential Regulation Authority Act 1998*.

1.34 The committee considers that APRA has met its reporting requirements under these Acts and commends APRA for its inclusion of a 'statutory report' which systematically addressed its reporting requirements under a number of Acts.

***Australian Reinsurance Pool Corporation (ARPC) – Annual Report 2006–07***<sup>13</sup>

1.35 The Australian Reinsurance Pool Corporation (ARPC) is a Commonwealth authority, established by the *Terrorism Insurance Act 2003*, that presents its annual report in accordance with the provisions of section 9 of the CAC Act.

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10 See also comments under 'timeliness' at paragraphs 1.17–1.18.

11 See also comments under 'timeliness' at paragraphs 1.17–1.18.

12 See also comments under 'timeliness' at paragraphs 1.17–1.18 and 'future developments' at paragraph 1.74.

13 See also comments under 'timeliness' at paragraphs 1.17–1.18.

1.36 The committee considers that the ARPC has met its reporting requirements. However, the committee suggests that the ARPC's report could be improved by including a specific compliance index.

***Australian Securities and Investments Commission (ASIC) – Annual Report 2006–07***<sup>14</sup>

1.37 For 2006–07, the Australian Securities and Investments Commission (ASIC) was subject to section 9 of the CAC Act and section 136 of the *Australian Securities and Investments Commission Act 2001* (the ASIC Act) in relation to its annual reporting requirements.

1.38 The committee considers that ASIC has met its reporting requirements under these Acts. However, as ASIC reports under a number of Acts, and the requirements in the ASIC Act are quite detailed, the committee suggests that a specific compliance index should be included in future reports.

***Australian Taxation Office (ATO) – Annual Report 2006–07***<sup>15</sup>

1.39 The Australian Taxation Office (ATO) is a prescribed agency under the FMA Act. The ATO therefore presents its report in accordance with the *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*. Further reporting requirements are specified in 23 other Acts (please refer to Appendix 4 for a comprehensive list of the legislation).

1.40 While the committee considers that the ATO has largely met its reporting requirements, it notes that the report was not presented to the President of the Senate until 20 December 2007, well after the 31 October deadline specified in the requirements for FMA Act bodies.

1.41 The committee commends the ATO for including both a compliance index based on the *Requirements for Annual Reports* and a separate list covering the further reporting requirements specified in the 23 other Acts referred to in Appendix 4.

***Companies Auditors and Liquidators Disciplinary Board (CALDB) – Annual Report 2006–07***<sup>16</sup>

1.42 The committee notes that there are only a few specific requirements in section 214 of the *Australian Securities and Investments Commission Act 2001* in relation to the Companies Auditors and Liquidators Disciplinary Board's annual report, and considers the report to be satisfactory.

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14 See also comments under 'timeliness' at paragraphs 1.17–1.18 and 'future developments' at paragraph 1.74.

15 See also comments under 'timeliness' at paragraphs 1.17–1.18.

16 See also comments under 'timeliness' at paragraphs 1.17–1.18.

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***Corporations and Markets Advisory Committee (CAMAC) – Annual Report 2006–07***<sup>17</sup>

1.43 For the 2006–07 financial year the Corporations and Markets Advisory Committee (CAMAC) reported under section 9 of the CAC Act and section 162 of the *Australian Securities and Investments Commission Act 2001*.

1.44 The committee considers that CAMAC has met its reporting requirements under these Acts and notes the clear layout of CAMAC's report in relation to its CAC Act requirements. However, the committee suggests that a specific compliance index should be included in future reports, particularly with CAMAC's transition to the FMA Act framework from the 2007–08 financial year.

***Financial Reporting Council (FRC), Australian Accounting Standards Board (AASB), Auditing and Assurance Standards Board (AUASB) – Annual Reports 2006–07***<sup>18</sup>

1.45 The Financial Reporting Council (FRC), Australian Accounting Standards Board (AASB) and the Auditing and Assurance Standards Board (AUASB) report under section 235B of the *Australian Securities and Investments Commission Act 2001*. For the 2006–07 financial year, section 9 of the CAC Act also applied to the AASB and AUASB.

1.46 The committee considers that the FRC, AASB and AUASB have met their reporting requirements under these Acts. However, the committee suggests that a specific compliance index for each of the reports should be included in the future, particularly given the differing reporting requirements between the agencies.

***Financial Reporting Panel (FRP) – Annual Report 2006–07***<sup>19</sup>

1.47 The committee noted in its *Report on Annual Reports (No. 2 of 2007)* that the Financial Reporting Panel (FRP) would table its first annual report in 2007. The Financial Reporting Panel was established under the *Corporate Law and Economic Reform Program (Audit Reform and Corporate Disclosure) Act 2004* and commenced operations on 3 July 2006. The FRP's function is to resolve disputes between ASIC and companies concerning accounting treatments in their financial reports. The purpose for establishing the FRP is to remove the need to initiate legal proceedings in court in order to resolve a financial reporting matter. The FRP is designed to provide an efficient and cost effective way of dealing with disputes, the opportunity to be

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17 See also comments under 'timeliness' at paragraphs 1.17–1.18 and 'future developments' at paragraph 1.74.

18 See also comments under 'timeliness' at paragraphs 1.17–1.18 and 'future developments' at paragraph 1.75.

19 See also comments under 'timeliness' at paragraphs 1.17–1.18.

heard by persons with relevant expertise, and remove concerns of courts' limited understanding of accounting standards.<sup>20</sup>

1.48 The committee notes that there are only a few specific requirements in section 239AM of the *Australian Securities and Investments Commission Act 2001* in relation to the FRP's annual reporting requirements, and considers the report to be satisfactory.

***Foreign Investment Review Board – Annual Report 2006–07***<sup>21</sup>

1.49 The committee notes that the Foreign Investment Review Board is not subject to the FMA or CAC Acts, but reports annually to the Treasurer as part of its 'responsibility to advise the Government on foreign investment matters'<sup>22</sup>, and therefore considers the report to be satisfactory.

***IIF Investments Pty Limited, IIF (CM) Investments Pty Limited, IIF BioVentures Pty Limited, IIF Foundation Pty Limited and IIF Neo Pty Limited (IIF companies) – Annual Reports 2006–07***<sup>23</sup>

1.50 IIF Investments Pty Limited, IIF (CM) Investments Pty Limited, IIF BioVentures Pty Limited, IIF Foundation Pty Limited and IIF Neo Pty Limited (the IIF companies) are Commonwealth companies and are therefore required to report under section 36 the CAC Act.

1.51 The committee considers that the IIF companies have largely met these requirements. However it notes that the letter of transmittal to the Minister is dated 21 December 2007, well after the four-month deadline specified in subsection 36(1A) of the CAC Act.

***Innovation Australia: Activities of the Industry Research and Development Board (IRDB) – Annual Report 2006–07***<sup>24</sup>

1.52 For the 2006–07 financial year the Industry Research and Development Board (IRDB) was required to report under sections 39H and 46 of the *Industry Research and Development Act 1986* (the IRD Act).

1.53 The committee considers that the IRDB has met these requirements and that therefore the report is satisfactory. However, as the requirements outlined in the IRD

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20 Financial Reporting Panel, *About the Financial Reporting Panel*, p. 1 of 3, <http://www.frp.gov.au/about/> (accessed 12 September 2008).

21 See also comments under 'timeliness' at paragraphs 1.17–1.18.

22 Mr John Phillips AO, Chairman, Foreign Investment Review Board (FIRB), Letter of transmittal, FIRB, *2006-07 Annual Report*, p. [iii].

23 See also comments under 'timeliness' at paragraphs 1.17–1.18.

24 See also comments under 'timeliness' at paragraphs 1.17–1.18 and 'future developments' at paragraph 1.76.

Act are quire detailed the committee suggests that a specific compliance index should be included in future reports.

***Innovation Australia: Activities of the Venture Capital Registration Board (VCRB) – Annual Report 2006–07***<sup>25</sup>

1.54 The Venture Capital Registration Board (VCRB) was known as the Pooled Development Funds Registration Board from its establishment on 1 July 1992 to 20 June 2007, when its named was changed to the VCRB.

1.55 For the 2006–07 financial year the VCRB was also required to report under sections 39H and 46 of the *Industry Research and Development Act 1986*.

1.56 The committee considers that the VCRB largely met these requirements, although it notes that the letter of transmittal to the minister is dated 21 January 2008, well after the six-month deadline specified in subsection 34C(2) of the *Acts Interpretation Act 1901* which applies where 'an Act requires a person to furnish a periodic report to a Minister but does not specify a period within which the report is to be so furnished'.

***Inspector-General of Taxation (IGT) – Annual Report 2006–07***<sup>26</sup>

1.57 The Inspector-General of Taxation (IGT) is a prescribed agency under the FMA Act. The IGT therefore presents its report in accordance with the *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*. Further requirements for its report are specified in section 41 of the *Inspector-General of Taxation Act 2003* (the IGT Act).

1.58 The committee considers that the IGT has largely met its reporting requirements. However, it notes that the report was not presented to the President of the Senate until 28 November 2007, well after the 31 October deadline specified in the requirements for FMA Act bodies. This is despite the letter of transmittal being dated 17 September 2007, thereby meaning the report could have been tabled in the Senate in September 2007 or presented out of sitting to the President under the provisions of Standing Order 166 before the 31 October deadline.

***National Competition Council (NCC) – Annual Report 2006–07***<sup>27</sup>

1.59 The National Competition Council (NCC) is a prescribed agency under the FMA Act. The NCC therefore presents its report in accordance with the *Requirements for Annual Reports*. Further requirements for its report are specified in section 29O of the *Trade Practices Act 1974* (the TP Act).

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25 See also comments under 'timeliness' at paragraphs 1.17–1.18 and 'future developments' at paragraph 1.76.

26 See also comments under 'timeliness' at paragraphs 1.17–1.18.

27 See also comments under 'timeliness' at paragraphs 1.17–1.18.

1.60 The committee considers that NCC has largely met its reporting requirements. However, it notes that the report was not tabled in the Senate until 11 March 2008, well after the 31 October deadline specified in the requirements for FMA Act bodies. This is despite the original letter of transmittal being dated 30 August 2007 (one day outside the 60-day limit specified in the TP Act), thereby meaning the report could have been tabled in the Senate in September 2007 or presented out of sitting to the President under the provisions of Standing Order 166 before the 31 October deadline.

1.61 The committee notes that the report included a compliance index against FMA Act reporting requirements, although suggests that the requirements in section 290 of the TP Act could also be included in the compliance index in future reports.

### ***Productivity Commission – Annual Report 2006–07***<sup>28</sup>

1.62 The Productivity Commission is a prescribed agency under the FMA Act. The Commission therefore presents its report in accordance with the *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*. Further requirements for its report are specified in section 10 of the *Productivity Commission Act 1998* (the PC Act).

1.63 While the committee considers that the Commission has largely met its reporting requirements, it notes that the report was not tabled in the Senate until 11 March 2008, well after the 31 October deadline specified in the requirements for FMA Act bodies.

1.64 The committee commends the Commission for including a comprehensive compliance index against both FMA Act and PC Act reporting requirements in its 2006–07 annual report in response to the committee's suggestion in its *Report on Annual Reports (No. 2 of 2007)*.

### ***Superannuation Complaints Tribunal (SCT) – Annual Report 2006–07***<sup>29</sup>

1.65 The committee notes that there are only a few requirements under section 67 of the *Superannuation (Resolution of Complaints) Act 1993* (the SRC Act) for the Superannuation Complaints Tribunal's (SCT's) annual report, and considers the report to be satisfactory.

1.66 The committee commends the SCT for including a compliance index which indicates that the Tribunal's report includes information beyond that required under the SRC Act. However, the committee suggests that references to the various documents outlining annual reporting requirements on page 52 of the report should be updated to the latest version of the documents indicated.

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28 See also comments under 'timeliness' at paragraphs 1.17–1.18.

29 See also comments under 'timeliness' at paragraphs 1.17–1.18.

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**Takeovers Panel – Annual Report 2006–07**<sup>30</sup>

1.67 The committee notes that there are only a few requirements in section 183 of the *Australian Securities and Investments Commission Act 2001* (the ASIC Act) for the Takeovers Panel's annual report, and considers the report to be satisfactory.

1.68 The committee commends the Panel for including a compliance index which indicates that the Panel's report includes information beyond that required under the ASIC Act.

**Tourism Australia – Annual Report 2006–07**<sup>31</sup>

1.69 Tourism Australia is a Commonwealth authority and presents its annual report in accordance with the provisions of section 9 of the CAC Act and section 39 of the *Tourism Australia Act 2004* (the TA Act).

1.70 The committee considers that Tourism Australia has met its reporting requirements under these Acts. However, the committee suggests that future reports could be improved by including a specific compliance index, particularly given the additional reporting requirements imposed on Tourism Australia in section 39 of the TA Act.

**Remarks made in the Senate**

1.71 Senate Standing Order 25(20)(d) directs the committee to take into account remarks made in the Senate when considering annual reports.

1.72 None of the annual reports considered in this report have been the subject of debate in the Senate.

**Bodies not presenting annual reports to the Senate**

1.73 The committee is required to report to the Senate each year under Standing Order 25 (20)(h) on whether there are any bodies not presenting annual reports to the Senate which should. The committee is satisfied that there are no such bodies within the Innovation, Industry, Science and Research; Resources, Energy and Tourism; or Treasury portfolios.

**Future developments**

1.74 As noted in the committee's Report on Annual Reports (No. 1 of 2008), the *Governance Review Implementation (Treasury Portfolio Agencies) Act 2007* was assented to on 5 June 2007. As a result, the Australian Prudential Regulation Authority, Australian Securities and Investments Commission and Corporations and

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30 See also comments under 'timeliness' at paragraphs 1.17–1.18.

31 See also comments under 'timeliness' at paragraphs 1.17–1.18.

Markets Advisory Committee will be brought under the FMA Act from the 2007–08 financial year.

1.75 Under the *Governance Review Implementation (AASB and AUASB) Act 2008* (assented to on 30 June 2008) the Australian Accounting Standards Board and Auditing and Assurance Standards Board will be brought under the *Financial Management and Accountability Act 1997* (FMA Act) from the 2008–09 financial year. Under the new arrangements, two agencies prescribed under the FMA Act will be established to support the operations of the AASB and AUASB. The agencies will be referred to as the 'Office of the Australian Accounting Standards Board' and the 'Office of the Auditing and Assurance Standards Board'. Under the previous arrangements the Financial Reporting Council was responsible for financial and administrative matters of the two boards in addition to providing strategic oversight. Under the new arrangements the FRC will still be responsible for providing strategic oversight, but will undertake only an advisory role with respect to financial and administrative matters.<sup>32</sup>

1.76 On 27 September 2007 a new statutory body, Innovation Australia, was established to consolidate the administration and oversight of Commonwealth innovation and venture capital programs that were previously the responsibility of the Industry Research and Development Board (IRDB) and the Venture Capital Registration Board (VCRB). As a result, from the 2007–08 financial year Innovation Australia will report on the combined activities that were previously the responsibility of the IRDB and VCRB.

Senator Annette Hurley  
**Chair**

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32 Explanatory Memorandum, *Governance Review Implementation (AASB and AUASB) Bill 2008*, p. 8.

# Appendix 1

## Abbreviations

AAO	Anglo-Australian Observatory
AASB	Australian Accounting Standards Board
AATA Act	<i>Anglo-Australian Telescope Agreement Act 1970</i>
AATB	Anglo-Australian Telescope Board
ACCC	Australian Competition and Consumer Commission
AIMS	Australian Institute of Marine Science
ANSTO	Australian Nuclear Science and Technology Organisation
APRA	Australian Prudential Regulation Authority
ARPC	Australian Reinsurance Pool Corporation
ASIC	Australian Securities and Investments Commission
ASIC Act	<i>Australian Securities and Investments Commission Act 2001</i>
ATO	Australian Taxation Office
AUASB	Auditing and Assurance Standards Board
CAC Act	<i>Commonwealth Authorities and Companies Act 1997</i>
CALDB	Companies Auditors and Liquidators Disciplinary Board
CAMAC	Corporations and Markets Advisory Committee
FMA Act	<i>Financial Management and Accountability Act 1997</i>
FRC	Financial Reporting Council
FRP	Financial Reporting Panel
IGT	Inspector-General of Taxation
IGT Act	<i>Inspector-General of Taxation Act 2003</i>
IIF	Innovation Investment Fund

IIF (CM)	Innovation Investment Fund (Coates Myer)
IIF companies	IIF Investments Pty Limited, IIF (CM) Investments Pty Limited, IIF BioVentures Pty Limited, IIF Foundation Pty Limited and IIF Neo Pty Limited
IRD Act	<i>Industry Research and Development Act 1986</i>
IRDB	Industry Research and Development Board
NCC	National Competition Council
PC Act	<i>Productivity Commission Act 1998</i>
SCT	Superannuation Complaints Tribunal
SRC Act	<i>Superannuation (Resolution of Complaints) Act 1993</i>
TA Act	<i>Tourism Australia Act 2004</i>
TP Act	<i>Trade Practices Act 1974</i>
UK	United Kingdom
VCRB	Venture Capital Registration Board

## Appendix 2

### Innovation, Industry, Science and Research Portfolio

#### List of annual reports tabled in the Senate during the period 1 November 2007 to 30 April 2008

Reporting Body	Legislation	Date of transmittal letter	Date sent to Minister	Date received by Minister	Date tabled/ presented*
<p>Anglo-Australian Observatory (AAO)–Anglo-Australian Telescope Board (AATB)</p>	<p><i>Anglo-Australian Telescope Agreement Act 1970 – section 19</i></p> <p><i>Agreement between the Government of the Commonwealth of Australia and the Government of the United Kingdom of Great Britain and Northern Ireland to provide for the Establishment and Operation of a Large Optical Telescope (Canberra, 25 September 1969) – Article 8</i></p> <p><i>Commonwealth Authorities and Companies Orders (Financial Statements for reporting periods ending on or after 1 July 2006)</i></p>	<p>Undated</p>	<p>30/01/2008</p>	<p>11/02/2008</p>	<p>11/03/2008</p>

<b>Reporting Body</b>	<b>Legislation</b>	<b>Date of transmittal letter</b>	<b>Date sent to Minister</b>	<b>Date received by Minister</b>	<b>Date tabled/ presented*</b>
Australian Institute of Marine Science (AIMS)	<i>Commonwealth Authorities and Companies Act 1997 – section 9</i>	17/09/2007			12/02/2008 12/11/2007*
Australian Nuclear Science and Technology Organisation (ANSTO)	<i>Australian Nuclear Science and Technology Organisation Act 1987 – section 29</i>  <i>Commonwealth Authorities and Companies Act 1997 – section 9</i>	14/09/2007			12/02/2008 02/11/2007*
IIF Investments Pty Limited, IIF (CM) Investments Pty Limited, IIF BioVentures Pty Limited, IIF Foundation Pty Limited, IIF Neo Pty Limited	<i>Commonwealth Authorities and Companies Act 1997 – section 36</i>	21/12/2007	18/01/2008	18/01/2008	13/02/2008
Innovation Australia: Activities of the Industry Research and Development Board*	<i>Industry Research and Development Act 1986 – sections 39H and 46</i>	22/11/2007			12/02/2008 22/11/2007*
Innovation Australia: Activities of the Venture Capital Registration Board*	<i>Industry Research and Development Act 1986 – sections 39H and 46</i>	21/01/2008			12/02/2008 21/01/2008*

\* On 27 September 2007 a new statutory body, Innovation Australia, was established to consolidate the administration and oversight of Commonwealth innovation and venture capital programs that were previously the responsibility of the Industry Research and Development Board (IRDB) and the Venture Capital Registration Board (VCRB). As a result from the 2007–08 financial year, Innovation Australia will report on the combined activities that were previously the responsibility of the IRDB and VCRB.

## Appendix 3

### Resources, Energy and Tourism Portfolio

#### List of Annual Reports tabled in the Senate during the period 1 November 2007 to 30 April 2008

<b>Reporting Body</b>	<b>Legislation</b>	<b>Date of transmittal letter</b>	<b>Date sent to Minister</b>	<b>Date received by Minister</b>	<b>Date tabled/ presented*</b>
Tourism Australia	<i>Tourism Australia Act 2004 – section 39</i>  <i>Commonwealth Authorities and Companies Act 1997 – section 9</i>	26/09/2007			12/02/2008 19/12/2007*



## Appendix 4

### Treasury Portfolio

#### List of Annual Reports tabled in the Senate during the period 1 November 2007 to 30 April 2008

Reporting Body	Legislation	Date of transmittal letter	Date sent to Minister	Date received by Minister	Date tabled/presented*
Australian Competition and Consumer Commission (ACCC)	<i>Trade Practices Act 1974 – sections 44AAJ and 171</i>  <i>Financial Management and Accountability Act 1997</i>	29/08/2007 (original)  21/12/2007 (revised)	15/01/2008	15/01/2008	11/03/2008
Australian Prudential Regulation Authority (APRA)	<i>Australian Prudential Regulation Authority Act 1998 – section 59</i>  <i>Commonwealth Authorities and Companies Act 1997 – section 9*</i>	02/10/2007			12/02/2008 28/11/2007*
Australian Reinsurance Pool Corporation (ARPC)	<i>Commonwealth Authorities and Companies Act 1997 – section 9</i>	11/09/2007 (original)  10/12/2007 (revised)	15/01/2008	15/01/2008	11/03/2008

Reporting Body	Legislation	Date of transmittal letter	Date sent to Minister	Date received by Minister	Date tabled/presented*
Australian Securities and Investments Commission (ASIC)	<p><i>Australian Securities and Investments Commission Act 2001 – section 136</i></p> <p><i>Commonwealth Authorities and Companies Act 1997 – section 9*</i></p> <p><i>Financial Management and Accountability Act 1997 (to the extent that ASIC handled public money)</i></p>	No transmittal letter	15/01/2008	15/01/2008	11/03/2008
Australian Taxation Office (ATO)	<p><i>A New Tax System (Australian Business Number) Act 1999 – section 29</i></p> <p><i>Commonwealth Places Windfall Tax (Collection) Act 1998 – section 10</i></p> <p><i>Debris Tax Administration Act 1982 – section 6</i></p>	10/12/2007			12/02/2008 20/12/2007*

Reporting Body	Legislation	Date of transmittal letter	Date sent to Minister	Date received by Minister	Date tabled/ presented*
	<p><i>Development Allowance Authority Act 1992 – section 117</i></p> <p><i>Energy Grants (Credits) Scheme Act 2003 – section 9</i></p> <p><i>Franchise Fees Windfall Tax (Collection) Act 1997 – section 12</i></p> <p><i>Fringe Benefits Tax (Application to Commonwealth) Act 1986 – section 8</i></p> <p><i>Fringe Benefits Tax Assessment Act 1986 – section 4</i></p> <p><i>Income Tax Assessment Act 1936 – section 14</i></p> <p><i>International Tax Agreements Act 1953</i></p> <p><i>Petroleum Resource Rent Tax Assessment Act 1987 – section 16</i></p>				

Reporting Body	Legislation	Date of transmittal letter	Date sent to Minister	Date received by Minister	Date tabled/ presented*
	<p><i>Sales Tax Assessment Act 1992 – section 112</i></p> <p><i>Small Superannuation Accounts Act 1995 – section 93</i></p> <p><i>Superannuation (Government Co-contribution for Low Income Earners) Act 2003 – section 54</i></p> <p><i>Superannuation (Unclaimed Money and Lost Members) Act 1999 – section 41</i></p> <p><i>Superannuation Contributions Tax (Assessment and Collection) Act 1997 – section 31</i></p> <p><i>Superannuation Contributions Tax (Members of Constitutionally Protected Superannuation Funds) Assessment and Collection Act 1997 – section 27</i></p>				

Reporting Body	Legislation	Date of transmittal letter	Date sent to Minister	Date received by Minister	Date tabled/ presented*
	<p><i>Superannuation Guarantee (Administration) Act 1992 – section 44</i></p> <p><i>Taxation (Interest on Overpayments and Early Payments) Act 1983 – section 7</i></p> <p><i>Taxation Administration Act 1953 – sections 3B and 352-355</i></p> <p><i>Termination Payments Tax (Assessment and Collection) Act 1997 – section 22</i></p> <p><i>Tobacco Charges Assessment Act 1955 – section 9A</i></p> <p><i>Trust Recoupment Tax Assessment Act 1985</i></p> <p><i>Financial Management and Accountability Act 1997</i></p>				

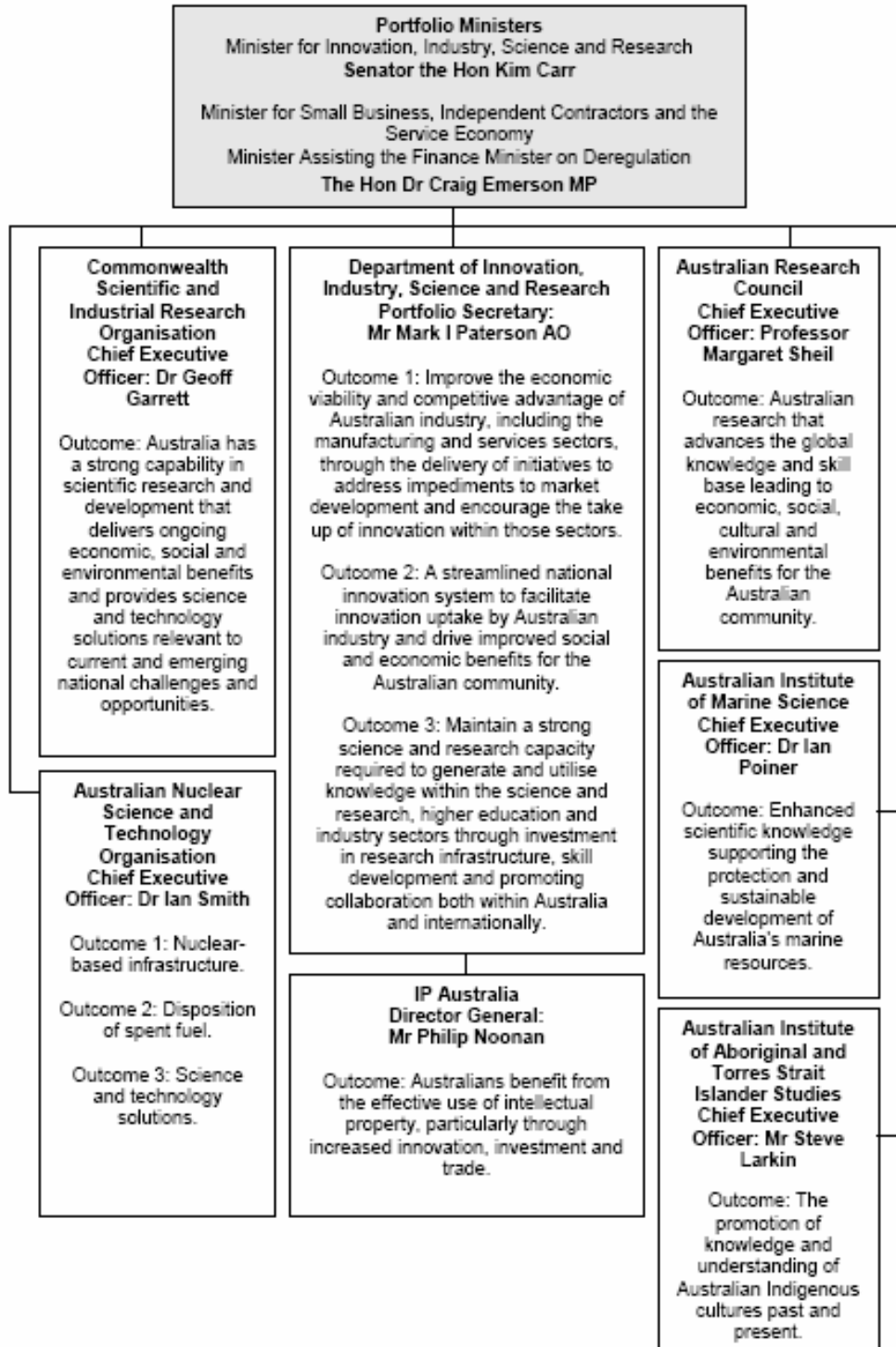
<b>Reporting Body</b>	<b>Legislation</b>	<b>Date of transmittal letter</b>	<b>Date sent to Minister</b>	<b>Date received by Minister</b>	<b>Date tabled/ presented*</b>
Companies Auditors and Liquidators Disciplinary Board	<i>Australian Securities and Investments Commission Act 2001</i> – section 214	10/10/2007 (original) 12/12/2007 (revised)	15/01/2008	15/01/2008	11/03/2008
Corporations and Markets Advisory Committee	<i>Australian Securities and Investments Commission Act 2001</i> – section 162  <i>Commonwealth Authorities and Companies Act 1997</i> – section 9*	24/09/2007 (original) 14/12/2007 (revised)	15/01/2008	15/01/2008	11/03/2008
Financial Reporting Council; Australian Accounting Standards Board; Auditing and Assurance Standards Board	<i>Australian Securities and Investments Commission Act 2001</i> – section 235B  <i>Commonwealth Authorities and Companies Act 1997</i> – section 9 (AASB and AUASB only)**	15/10/2007 (original) 05/12/2007 (revised)	15/01/2008	15/01/2008	11/03/2008
Financial Reporting Panel	<i>Australian Securities and Investments Commission Act 2001</i> – section 239AM	11/10/2007 (original) 12/12/2007 (revised)	15/01/2008	15/01/2008	11/03/2008
Foreign Investment Review Board	-	14/03/2008			13/05/2008 31/03/2008*

<b>Reporting Body</b>	<b>Legislation</b>	<b>Date of transmittal letter</b>	<b>Date sent to Minister</b>	<b>Date received by Minister</b>	<b>Date tabled/ presented*</b>
Inspector-General of Taxation	<i>Inspector-General of Taxation Act 2003 – section 41</i>  <i>Financial Management and Accountability Act 1997</i>	17/09/2007			12/02/2008 28/11/2007*
National Competition Council	<i>Trade Practices Act 1974 – section 29O</i>  <i>Financial Management and Accountability Act 1997</i>	30/08/2007 (original)  10/12/2007 (revised)	15/01/2008	15/01/2008	11/03/2008
Productivity Commission	<i>Productivity Commission Act 1998 – section 10</i>  <i>Financial Management and Accountability Act 1997</i>	23/11/2007	29/11/2007	29/11/2007	11/03/2008
Superannuation Complaints Tribunal	<i>Superannuation (Resolution of Complaints) Act 1993 – section 67</i>	07/09/2007			12/02/2008 28/11/2007*
Takeovers Panel	<i>Australian Securities and Investments Commission Act 2001 – section 183</i>	27/09/2007 (original)  07/01/2008 (revised)	15/01/2008	15/01/2008	11/03/2008

- \* Under the *Governance Review Implementation (Treasury Portfolio Agencies) Act 2007* (assented to on 5 June 2007) the Australian Prudential Regulation Authority, Australian Securities and Investments Commission and Corporations and Markets Advisory Committee will be brought under the *Financial Management and Accountability Act 1997* from the 2007–08 financial year.
  
- \*\* Under the *Governance Review Implementation (AASB and AUASB) Act 2008* (assented to on 30 June 2008) the Australian Accounting Standards Board and Auditing and Assurance Standards Board will be brought under the *Financial Management and Accountability Act 1997* (FMA Act) from the 2008–09 financial year.

# Appendix 5

## Portfolio structure and outcomes for the Innovation, Industry, Science and Research Portfolio<sup>1</sup>

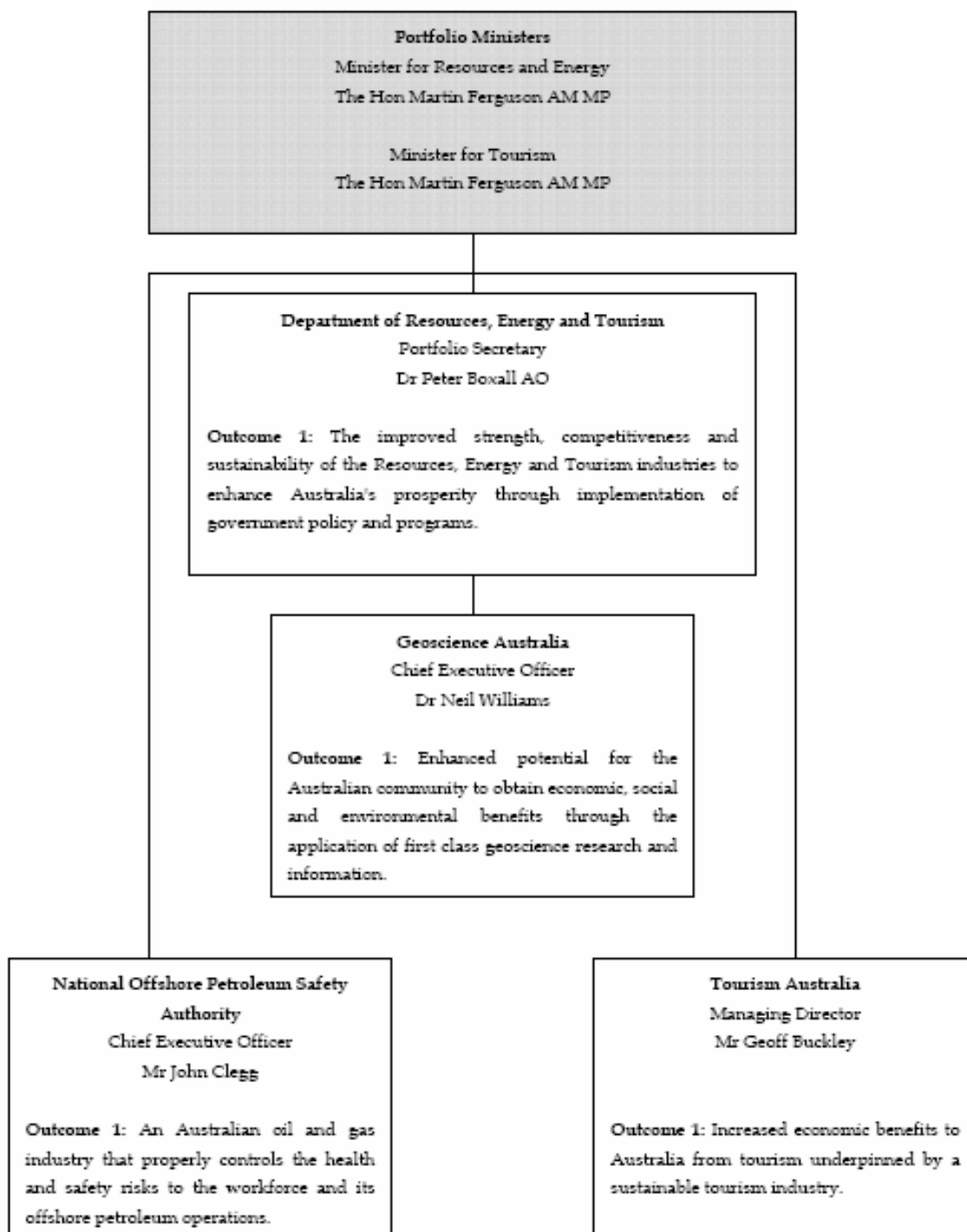


<sup>1</sup> Portfolio Budget Statements 2008–09, Innovation, Industry, Science and Research portfolio, p. 5.



## Appendix 6

### Portfolio structure and outcomes for the Resources, Energy and Tourism Portfolio<sup>1</sup>



1 Portfolio Budget Statements 2008–09, Resources, Energy and Tourism portfolio, p. 5.



# Appendix 7

## Portfolio structure and outcomes for the Treasury Portfolio<sup>1</sup>

<p><b>Portfolio Minister - Treasurer</b> The Hon Wayne Swan MP</p> <p><b>Assistant Treasurer and Minister for Competition Policy and Consumer Affairs</b> The Hon Chris Bowen MP</p> <p><b>Minister for Superannuation and Corporate Law</b> Senator the Hon Nick Sherry</p>
<p><b>Department of the Treasury</b> Secretary: Dr Ken Henry AC</p> <p><b>Outcome 1:</b> Sound macroeconomic environment</p> <p><b>Outcome 2:</b> Effective government spending arrangements</p> <p><b>Outcome 3:</b> Effective taxation and retirement income arrangements</p> <p><b>Outcome 4:</b> Well functioning markets</p>
<p><b>Australian Bureau of Statistics</b> Statistician: Mr Brian Pink</p> <p>Informed decision making, research and discussion within governments and the community based on the provision of a high quality, objective and responsive national statistical service</p>
<p><b>Australian Competition and Consumer Commission</b> Chairperson: Mr Graeme Samuel</p> <p>To enhance social and economic welfare of the Australian community by fostering competitive, efficient, fair and informed Australian markets</p>
<p><b>Australian Office of Financial Management</b> Chief Executive Officer: Mr Neil Hyden</p> <p>To enhance the Commonwealth's capacity to manage its net debt portfolio, offering the prospect of savings in debt servicing costs and an improvement in the net worth of the Commonwealth over time</p>
<p><b>Australian Prudential Regulation Authority</b> Chairman: Dr John Laker</p> <p>To enhance public confidence in Australia's financial institutions through a framework of prudential regulation which balances financial safety and efficiency, competition, contestability and competitive neutrality</p>
<p><b>Australian Securities and Investments Commission</b> Chairman: Mr Tony D'Aloisio</p> <p>A fair and efficient market characterised by integrity and transparency and supporting confident and informed participation of investors and consumers</p>
<p><b>Australian Taxation Office</b> Commissioner: Mr Michael D'Ascenzo</p> <p>Effectively managed and shaped systems that support and fund services for Australians and give effect to social and economic policy through the tax, superannuation, excise and other related systems</p>
<p><b>Commonwealth Grants Commission</b> Secretary: Mr John Spasojevic</p> <p>Fiscal equalisation between the States, the Australian Capital Territory and the Northern Territory is achieved through the distribution, by Government, of GST revenue and Health Care Grants</p>
<p><b>Corporations and Markets Advisory Committee</b> Convener: Mr Richard St John</p> <p>A fair and efficient market characterised by integrity and transparency and supporting confident and informed participation of investors and consumers</p>
<p><b>Inspector-General of Taxation</b> Inspector-General: Mr David Vos AM</p> <p>Improved administration of the tax laws for the benefit of all taxpayers</p>
<p><b>National Competition Council</b> Acting President: Mr David Crawford</p> <p>The achievement of effective and fair competition reforms and better use of Australia's infrastructure for the benefit of the community</p>
<p><b>Productivity Commission</b> Chairman: Mr Gary Banks AO</p> <p>Well-informed policy decision-making and public understanding on matters relating to Australia's productivity and living standards, based on independent and transparent analysis from a community-wide perspective</p>
<p><b>Royal Australian Mint</b> Chief Executive Officer: Ms Janine Murphy</p> <p>Manufacture and sale of circulating coins, to meet the coinage needs of the Australian economy, and collector coins and other minted products for Australia and foreign countries</p>

1 Portfolio Budget Statements 2008–09, Treasury portfolio, p. 6.

