

The Senate

Economics
Legislation Committee

Annual reports (No. 1 of 2015)

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List of annual reports, and additional reports tabled in the Senate in the period
1 May 2014 to 31 October 2014, and before the tabling of this report.....43

Abbreviations

AAO	Administrative Arrangements Order
ANAO	Australian National Audit Office
ANM	Australian Nuclear Medicine
APSC	Australian Public Service Commissioner
ASIC Act	<i>Australian Securities and Investments Commission Act 2001</i>
AER	Australian Energy Regulator
ARENA	Australian Renewable Energy Agency
BHMAR	Broken Hill Managed Aquifer Recharge
CAS	Centre for Accelerator Science
CAC Act	<i>Commonwealth Authorities and Companies Act 1997</i>
CEFC	Clean Energy Finance Corporation
DIICSRTE	Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education
DRET	Department of Resources, Energy and Tourism
GFC	Global Financial Crisis
GST	Goods and services tax
HoR	House of Representatives
IGT	Inspector-General of Taxation
KPIs	Key Performance Indicators
OECD	Organisation for
PJC	Parliamentary Joint Committee on

	Corporations and Financial Services
JCPAA	Joint Committee of Public Accounts and Audit
OTC	Over-the-counter
PAES	Portfolio Additional Estimates Statements
PBS	Portfolio Budget Statements
PM&C	Department of Prime Minister and Cabinet
PM&C guidelines	<i>Requirements for Annual Reports Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies</i> , last revised on 24 June 2013
RBA	Reserve Bank of Australia
RET	Renewable Energy Target
SeaSim	National Sea Simulator
SES	Senior Executive Service
SMEs	Small and medium-sized enterprises
SRC Act	<i>Superannuation (Resolution of Complaints) Act 1993</i>
VET	Vocational education and training

Preface

Introduction

1.1 This is the Senate Economics Legislation Committee's (the committee) first report on annual reports in 2015. It provides an overview of the committee's examination of annual reports for the 2013–14 financial reporting period.

Terms of reference

1.2 The Senate allocated departments and agencies to committees on 13 November 2013. In accordance with that resolution, the committee has responsibility for the oversight of the following:

- Industry portfolio; and
- Treasury portfolio.

1.3 Standing Order 25(20) relating to the consideration of annual reports by committee requires the committee to:

- (a) examine each annual report referred to it and report to the Senate whether the report is apparently satisfactory;
- (b) consider in more detail, and report to the Senate on, each annual report which is not apparently satisfactory, and on the other annual reports which it selects for more detailed consideration;
- (c) investigate and report to the Senate on any lateness in the presentation of annual reports;
- (d) in considering an annual report, take into account any relevant remarks about the report made in debate in the Senate;
- (e) if the committee so determines, consider annual reports of departments and budget-related agencies in conjunction with examination of estimates;
- (f) report on annual reports tabled by 31 October each year by the tenth sitting day of the following year, and on annual reports tabled by 30 April each year by the tenth sitting day after 30 June of that year;
- (g) draw to the attention of the Senate any significant matters relating to the operations and performance of the bodies furnishing the annual reports; and
- (h) report to the Senate each year whether there are any bodies which do not present annual reports to the Senate and which should present such reports.

Role of annual reports

1.4 Annual reports place a great deal of information about government departments and agencies on the public record. Accordingly, the tabling of annual reports is an important element of accountability to Parliament, as the information provided in annual reports assists in the effective examination of the performance of departments and agencies, and the administration of government programs.

1.5 Together with Portfolio Budget Statements (PBS) and the Estimates process, annual reports are the principal mechanisms for scrutiny of the operations of

Government. Indeed, as highlighted in the *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies (Requirements for Annual Reports)* released by the Department of the Prime Minister and Cabinet (PM&C), and approved by the Joint Committee of Public Accounts and Audit (JCPAA):

Annual reports serve to inform the Parliament (through the responsible Minister), other stakeholders, educational and research institutions, the media and the general public about the performance of departments in relation to services provided. Annual reports are a key reference document and a document for internal management. They form part of the historical record.¹

...

Annual reports and PB Statements are the principal formal accountability mechanisms between government and departments and from departments through (or on behalf of) government to the Parliament.²

Assessment of annual reports

1.6 Senate Standing Order 25(20) requires that the committee examine reports referred to it to determine whether they are timely and 'apparently satisfactory'. The committee must consider whether the reports comply with the relevant legislation and guidelines for the preparation of annual reports in forming its assessment.

1.7 The requirements are set out as follows:

- Departments of State and Executive Agencies present their annual reports pursuant to subsections 63(2) and 70(2) of *Public Service Act 1999*, and the *Requirements for Annual Reports*. As a matter of policy, the *Requirements for Annual Reports* also apply to prescribed agencies under section 5 of the *Financial Management and Accountability Act 1997* (FMA Act).³
- Commonwealth authorities and companies present their annual reports pursuant to their own enabling legislation and/or sections 9, 36 and 48 of the *Commonwealth Authorities and Companies Act 1997* (CAC Act). Those commonwealth authorities and companies reporting under the CAC Act are required to comply with the *Commonwealth Companies (Annual Reporting) Orders 2011* and the *Commonwealth Companies (Annual Reporting) Orders 2011*, respectively.
- Guidelines for the annual reports of non-statutory bodies are set out in the Government Response to recommendations of the then Senate Standing

1 Department of the Prime Minister and Cabinet, *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies (Requirements for Annual Reports)*, 29 May 2014, paragraph 5(2).

2 Department of the Prime Minister and Cabinet, *Requirements for Annual Reports*, 29 May 2014, paragraph 6(1).

3 Department of the Prime Minister and Cabinet, *Requirements for Annual Reports*, 29 May 2014, paragraph 3(1).

Committee on Finance and Public Administration on Non-statutory bodies, *Senate Hansard*, 8 December 1987, pp. 2643–45.

1.8 The legislation governing the annual reports of various agencies and the tabling information is shown in Appendices 1 and 2.

1.9 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. The committee's view is that such agencies, while bound by their enabling legislation, should also comply with the PM&C guidelines, to the extent that the requirements do not conflict.

Changes to reporting requirements

1.10 The 2013–14 annual reports are prepared in accordance with the *Requirements for Annual Reports*. These requirements are reviewed annually and the latest version was issued on 29 May 2014.

1.11 Significant amendments to the most recent *Requirements for Annual Reports* relate to:

- **Spatial reporting**—in recognition of problems with spatial reporting data, the requirement to report on this data previously contained in subsection 14(5) and Attachment D to the Requirements has been omitted;⁴
- **Social inclusion**—the requirement to report on social inclusion strategic change indicators previously contained in subsection 11(4) of the Requirements has been omitted as a consequence of the disbandment of the Social Inclusion Unit of the Prime Minister and Cabinet.⁵

Future changes to the Requirements for Annual Reports

1.12 These *Requirements for Annual Reports* apply to reporting for the 2013–14 financial year. Significant revisions to the *Requirements for Annual Reports* are anticipated for the 2014–15 financial year with the commencement of the *Public Governance, Performance and Accountability Act 2013* from 1 July 2014.

Reports referred to the committee

1.13 Under Standing Order 25(20)(f), the committee is required to report on the annual reports of departments and agencies 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). This year that date for the

4 Department of the Prime Minister and Cabinet, *Requirements for Annual Reports*, 29 May 2014, p. i.

5 Department of the Prime Minister and Cabinet, *Requirements for Annual Reports*, 29 May 2014, p. i.

former is 17 March 2015.⁶ This Report on Annual Reports also examines annual reports that were tabled after 31 October 2014 but before this report's tabling.⁷

1.14 The following annual reports were referred to the committee for consideration:

Departments of State

- Department of Industry [incorporating the reports of non-statutory prescribed agencies Geoscience Australia and IP Australia];⁸ and
- Department of the Treasury.

Prescribed agencies under the FMA Act

- Auditing and Assurance Standards Board (independent statutory agency);⁹
- Australian Accounting Standards Board (independent statutory agency);¹⁰
- Australian Bureau of Statistics (statutory agency);
- Australian Charities and Not-for-profits Commission—Report for 2013–14;
- Australian Competition and Consumer Commission [incorporating report of the Australian Energy Regulator] (independent statutory authority);
- Australian Office of Financial Management (non-statutory agency);
- Australian Prudential Regulation Authority (statutory agency);
- Australian Securities and Investments Commission (statutory agency);¹¹
- Australian Skills Quality Authority (independent statutory agency);
- Commissioner of Taxation (Australian Taxation Office) (statutory agency);
- Commonwealth Grants Commission (statutory agency);
- Corporations and Markets Advisory Committee (statutory agency);¹²

6 The second tabling date for reports on annual reports to be tabled in the Senate by 30 April each year will be 8 September 2015 (on the tenth sitting day after 30 June of that year).

7 Department of the Prime Minister and Cabinet, *Requirements for Annual Reports*, 29 May 2014, p. i.

8 Following the machinery of government changes arising from the Administrative Arrangements Orders dated 23 December 2014, the Department of Industry was changed to the Department of Industry and Science, and the portfolio was renamed Industry and Science portfolio. Vocational education and training functions were also transferred from the Industry portfolio to the Education portfolio. These new changes will be reflected in future 2014–15 annual reports.

9 Also stands referred to the Parliamentary Joint Committee on Corporations and Financial Services (PJC).

10 Also stands referred to the Parliamentary Joint Committee on Corporations and Financial Services (PJC).

11 Also stands referred to the Parliamentary Joint Committee on Corporations and Financial Services (PJC).

- Inspector-General of Taxation (statutory agency);
- National Competition Council (statutory agency);
- National Offshore Petroleum Safety and Environmental Management Authority (statutory agency);
- Productivity Commission (statutory agency);
- Royal Australian Mint (non-statutory agency).

Statutory bodies/authorities not under the FMA Act

- Australian Statistics Advisory Council;
- Companies Auditors and Liquidators Disciplinary Board (independent statutory body);¹³
- Financial Reporting Council (statutory body);¹⁴
- Innovation Australia (independent statutory body);
- National Competition Council (independent statutory authority);
- Superannuation Complaints Tribunal;
- Tax Practitioners Board (independent statutory authority).

Non-statutory bodies

- Takeovers Panel.¹⁵

Commonwealth authorities (under the CAC Act)

- Australian Institute of Marine Science (statutory authority);
- Australian Renewable Energy Agency;
- Australian Reinsurance Pool Corporation;
- Australian Nuclear Science and Technology Organisation;
- Clean Energy Finance Corporation;
- Commonwealth Scientific and Industrial Research Organisation;
- Reserve Bank of Australia.

12 Also stands referred to the Parliamentary Joint Committee on Corporations and Financial Services (PJC).

13 Also stands referred to the Parliamentary Joint Committee on Corporations and Financial Services (PJC).

14 Also stands referred to the Parliamentary Joint Committee on Corporations and Financial Services (PJC).

15 Also stands referred to the Parliamentary Joint Committee on Corporations and Financial Services (PJC).

Commonwealth companies (under the CAC Act)

- IIF Investments Pty Limited; and

Other companies, limited by shares

- Snowy Hydro Limited (statutory corporation).

1.15 Comments on these individual reports are contained in chapter 1 for departments of state, and chapter 2 for statutory and non-statutory bodies. Reports are listed in alphabetical order under each portfolio.

1.16 Some of the aforementioned reports which are within the Treasury portfolio are also subject to scrutiny by the Parliamentary Joint Committee on Corporations and Financial Services (PJC), established by Part 14 of the *Australian Securities and Investments Commission Act 2001*. Section 243 specifies the PJC committee's duties, which include:

(b) to examine each annual report that is prepared by a body established by this Act and of which a copy has been laid before a House, and to report to both Houses on matters that appear in, or arise out of, that annual report and to which, in the Parliamentary Committee's opinion, the Parliament's attention should be directed...

1.17 In fulfilment of the PJC committee's duties under subsection 243(b), the PJC reports on the following bodies.

- Auditing and Assurance Standards Board (AUASB);¹⁶
- Australian Accounting Standards Board (AASB);¹⁷
- Australian Securities and Investments Commission;
- Companies Auditors and Liquidators Disciplinary Board;
- Corporations and Markets Advisory Committee;
- Financial Reporting Council;
- Financial Reporting Panel;¹⁸
- Office of the Australian Accounting Standards Board;¹⁹
- Office of the Auditing and Assurance Standards Board;²⁰ and

16 The ASIC Act directs that one annual report will cover both the AASB and the Office of the AASB. Similarly, the AUASB is required to prepare an annual report that addresses its activities and the activities of the Office of the AUASB.

17 The ASIC Act directs that one annual report will cover both the AASB and the Office of the AASB. Similarly, the AUASB is required to prepare an annual report that addresses its activities and the activities of the Office of the AUASB.

18 The Financial Reporting Panel (FRP) ceased to operate on 1 October 2012.

19 The ASIC Act directs that one annual report will cover both the AASB and the Office of the AASB. Similarly, the AUASB is required to prepare an annual report that addresses its activities and the activities of the Office of the AUASB.

-
- Takeovers Panel.

Additional reports referred to the committee

1.18 As the committee is not obliged to report on Acts, statements of corporate intent, surveys, policy papers, budget documents, corporate plans or errata, the following documents were referred to the committee for information only:

- Finance—Budget 2014–15, Budget Papers—No. 1: Budget strategy and outlook;
- Finance—Budget 2014–15, Budget Papers—No. 2: Budget measures;
- Finance—Budget 2014–15, Budget Papers—No. 3: Federal Financial Relations;
- Finance—Budget 2014–15, Budget Papers—No. 4: Agency resourcing;
- Mid-year economic and fiscal outlook 2014–15: Statement by the Treasurer and the Minister for Finance;
- Tax Expenditures Statement 2014—Section 14 of the *Charter of Budget Honesty Act 1998*;
- Particulars of proposed additional expenditure in respect of the year ending on 30 June 2015 [Appropriation Bill (No. 4) 2014–15];
- Particulars of certain proposed additional expenditure in respect of the year ending on 30 June 2015 [Appropriation Bill (No. 4) 2014–15];
- National interest statement—Extension of the loan agreement between the Australian Government and the Republic of Indonesia for a standby loan for A\$1 billion, dated February 2015—*International Monetary Agreement Act 1947*.
- *International Monetary Agreements Act 1947*—National interest statement—Extension of the loan agreement between the Australian Government and the Republic of Indonesia for a standby loan for A\$1 billion—National interest statement, dated February 2015;
- Australia and the International Financial Institutions—Reports: 2012–13;
- Australian Competition and Consumer Commission—Telstra's Structural Separation Undertaking, Report for 2012–13;
- Australian National Audit Office—
 - Report No. 33 of 2013–14—Performance audit—Indigenous Employment in Australian Government Entities: Across Agencies;
 - Report No. 35 of 2013–14—Performance audit—Managing Compliance of High Wealth Individuals: Australian Taxation Office;

20 The ASIC Act directs that one annual report will cover both the AASB and the Office of the AASB. Similarly, the AUASB is required to prepare an annual report that addresses its activities and the activities of the Office of the AUASB.

- Report No. 38 of 2013–14—Performance audit—Establishment and administration of the National Offshore Petroleum Safety and Environmental Management Authority: National Offshore Petroleum Safety and Environmental Management Authority;
- Report No. 39 of 2013–14—Performance audit—Compliance Effectiveness Methodology: Australian Taxation Office;
- Report No. 41 of 2013–14—Performance audit—Commercialisation Australia Program: Department of Industry;
- Report No. 44 of 2013–14—Performance audit—Financial statement audit—Interim Phase of the Audits of the Financial Statements of Major General Government Sector Agencies for the year ending 30 June 2014: Across Agencies;
- Report No. 47 of 2013–14—Performance audit—Managing Conflicts of Interest in FMA Agencies: Across Agencies;
- Report No. 48 of 2013–14—Performance audit—Administration of the Australian Business Register: Australian Taxation Office; Australian Securities and Investments Commission; Department of Industry;
- Report No. 49 of 2013–14—Performance audit—The management of physical security: Australian Crime Commission; Geoscience Australia; Royal Australian Mint;
- Report No. 50 of 2013–14—Performance audit—Cyber attacks: Securing agencies' ICT systems: Across Agencies;
- Report No. 54 of 2013–14—Performance audit—Establishment and use of multi-use lists: Across Agencies;
- Report No. 1 of 2014–15—Performance audit—Confidentiality in government contracts: Senate order for departmental and agency contracts (calendar year 2013 compliance): Across Agencies;
- Report No. 7 of 2014–15—Performance audit—Administration of Contact Centres: Australian Taxation Office;
- Report No. 11 of 2014–15—Performance audit—The award of grants under the Clean Technology Program: Department of Industry (received out of sitting 18 December 2014);
- Report No. 16 of 2014–15—Performance audit—Financial statement audit—Audits of the financial statements of Australian Government entities for the period ended 30 June 2014 (received out of sitting 18 December 2014);
- Australian Taxation Office—
 - Super Co-contribution Quarterly Reports for the periods 1 April 2014 to 30 June 2014, 1 January 2014 to 31 March 2014, 1 October 2013 to 1 December 2013, 1 July 2013 to 30 September 2013, 1 April 2013 to 30 June 2013, 1 January 2013 to 31 March 2013, 1 October 2012 to

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- 31 December 2012, 1 July 2012 to 30 September 2012, 1 April 2012 to 30 June 2012 and 1 January 2012 to 31 March 2012—Section 54 of the *Superannuation (Government Co-contribution for Low Income Earners) Act 2003*;
- Low Income Superannuation Contributions Quarterly Reports for the periods 1 January 2014 to 31 March 2014, 1 October to 31 December 2013 and 1 July 2013 to 30 September 2013—Section 12 of the *Superannuation (Government Co-contribution for Low Income Earners) Act 2003*;
 - Department of Industry—Australian vocational education and training system—Report for 2012;
 - Productivity Commission—
 - Report No. 69—Tasmanian shipping and freight—7 March 2014;
 - Report No. 70—Australia's Automotive Manufacturing Industry—31 March 2014;
 - Report No. 71—Public Infrastructure: volume 1, 27 May 2014;
 - Report No. 71—Public Infrastructure: volume 2, 27 May 2014;
 - Report No. 72—Access to justice arrangement: volume 1, dated 5 September 2014;
 - Report No. 72—Access to justice arrangement: volume 2, dated 5 September 2014;
 - Report No. 73—Childcare and early childhood learning: volume 1, dated 31 October 2014;
 - Report No. 73—Childcare and early childhood learning: volume 2, dated 31 October 2014;
 - Reserve Bank of Australia—
 - Equity and diversity; and
 - Payments System Board.

General comments on the annual reports

'Apparently satisfactory'

1.19 Under the terms of Standing Order 25(20)(a), the committee is required to report to the Senate whether reports are 'apparently satisfactory'. In making this assessment, the committee considers such aspects as compliance with relevant reporting guidelines.

1.20 The annual reports examined by the committee in this report were found to be of a satisfactory standard, adequately describing the functions, activities, performance and financial positions of the departments and agencies. The committee finds all submitted annual reports to be 'apparently satisfactory'.

1.21 Even so, the committee considers that some aspects of agency annual reports could be improved by a closer adherence to the *Requirements for the Annual Reports*.

For example, some annual reports should contain a discussion of external scrutiny and parliamentary accountability.

External scrutiny and accountability

1.22 It is required that annual reports:

...must provide information on the most significant developments in external scrutiny of the department and the department's response, including particulars of:

- (a) judicial decisions, decisions of administrative tribunals, and decisions by the Australian Information Commissioner, that have had, or may have, a significant impact on the operations of the department; and
- (b) reports on the operations of the department, including by the Auditor-General (other than the report on financial statements), a Parliamentary committee, the Commonwealth Ombudsman, or agency capability reviews (once released).²¹

1.23 Annual reports should be a primary reference document for parliamentarians and others looking for information about external scrutiny of government agencies. As noted, the primary purpose of annual reports is accountability to the Parliament—it is therefore important that details about external scrutiny are included in a clear manner in annual reports. Details on parliamentary scrutiny should be included in annual reports, including appearances at Senate estimates hearings (which are the subject of bi-annual reports to the Senate) and any evidence or submissions made to parliamentary inquiries. The reports should also note that they are subject to scrutiny by this and any other committee.

Timeliness

1.24 Standing Order 25(20)(c) requires the committee to report to the Senate on the late presentation of annual reports. The committee commends the departments and agencies discussed in this report for their timeliness.

Departments and FMA Act entities

1.25 Subsection 4(1) of Part 1 of the *PM&C Requirements for Annual Reports* 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. Furthermore, if Senate Supplementary Estimates hearings are scheduled to occur prior to 31 October, it is best practice for annual reports to be tabled prior to those hearings. In 2014, hearings for the committee's portfolios commenced on 22 October.

CAC Act entities

1.26 Section 9 of the CAC Act stipulates that the deadline for furnishing the minister with the annual reports of Commonwealth authorities is the 15th day of the 4th month after the end of the financial year; that is, 15 October.

21 *Requirements for Annual Reports for Departments*, 29 May 2014, p. 10.

1.27 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.

Other entities

1.28 Entities 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 subsections 34C(2) and 34C(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 they receive it.

Government policy for all annual reports

1.29 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'.²²

Reports received after 31 October date

1.30 The committee notes that this report includes the examination of several annual reports tabled after the 31 October date. See appendices 1 and 2 for more information.

1.31 Annual reports and other documents tabled in the Senate after 31 October and before the tabling of this report will be discussed in the committee's *Annual reports (No. 2 of 2015)*.

Compliance indices or lists of requirements

1.32 The inclusion of a compliance index or a list of requirements in annual reports is mandatory for all departments and agencies under the FMA Act and CAC Act. The index preferably 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 assists the committee considerably in its assessments of the reports. It also assists agencies by clearly showing that their compliance obligations have been met. It can be particularly useful for agencies with reporting requirements under various Acts.

1.33 The committee commends the great majority of agencies for their inclusion of compliance indices in their 2013–14 annual reports. However, the committee also

22 Department of the Prime Minister and Cabinet, *Requirements for Annual Reports*, 29 May 2014, p. 3; Department of the Prime Minister and Cabinet, *Guidelines for the Presentation of Documents to the Parliament (Including Government Documents, Government Responses to Committee Reports, Ministerial Statements, Annual Reports and Other Instruments)*, October 2013, paragraph 4.10.

notes some annual reports did not include some mandatory reporting requirements,²³ or could be improved with a more accessible layout and format. The committee also notes the importance of closely adhering to the most recently updated compliance index for easy reference of specific information. As the reporting requirements are updated each year, it is also important for agencies to use the most up-to-date reporting requirements in the preparation of annual reports.²⁴

23 The Australian Prudential Regulation Authority's 2013–14 annual report did not report on mandatory requirements relating to changes or variations from PBS/PAES information, compliance with disability reporting and carers' obligations as listed under items 10(2), 11(2), 14(1) and 14(3) in the Department of the Prime Minister and Cabinet's *Requirements for Annual Reports*, 29 May 2014, pp. 31–33.

24 Some agencies referred to the previous year's *Requirements for Annual Reports*, 24 June 2013. For example, the ASIC included two items previously listed in the 2013 requirements but removed from the 2014 requirements.

Chapter 1

Annual report of departments

Department of Industry [incorporating the annual reports of Geoscience Australia and IP Australia]

1.1 The Department of Industry's 2013–14 annual report was tabled in both houses of the Senate and House of Representatives on 28 October 2014. The 2013–14 annual reports for Intellectual Property Australia (IP Australia), which operates as a non-statutory agency with limited autonomy from the department, and the annual report for the Geoscience Australia (GA), are also contained in this annual report.

1.2 Following the Administrative Arrangements Order (AAO) issued on 18 September 2013, the Industry portfolio brought together the skills, science, innovation, industry, resources and energy functions of the former Industry, Innovation, Climate Change, Science, Research and Tertiary Education; and Resources, Energy and Tourism portfolios. The AAO also included the transfer of anti-dumping functions from the Immigration and Border Protection portfolio to the Industry Portfolio.¹

1.3 As part of the machinery of government changes following the 2013 federal election, the new department is responsible for a range of functions critical to improving the competitiveness of Australian industry, particularly in the area of science, research and development, energy and resources, vocational education and training, anti-dumping and industry policy.²

1.4 For the reporting period at 30 June 2014, the department's performance reporting framework comprised four outcomes, which reflected the 2013–14 Portfolio Additional Estimates Statements.

Review by Departmental Secretary

1.5 In its review, the department undertook a broad range of activities at a time of significant ongoing structural adjustment due to the effect of declining mining investments and traditional forms of manufacturing on the Australian economy.³

1.6 Throughout this period, the department's efforts were directed towards the following key initiatives:

- establishing a one-stop shop for the environmental approval of major offshore resources projects;
- pursuing the government's commitment to reduce the regulatory burden on business;

1 Department of Industry, *Annual Report 2013–14*, p. 8.

2 Department of Industry, *Annual Report 2013–14*, p. 2.

3 Department of Industry, *Annual Report 2013–14*, p. 2.

- putting in place arrangements through the \$50 million Manufacturing Transition Grants Programme to assist the transition of businesses to become more competitive and sustainable; and
- developing the Exploration Development Incentive, which was to attract private investment and drive the next wave of mining exploration and development.

1.7 In addition to the government's 2014–15 Budget commitments, some of the department's other main initiatives included:

- the \$484.2 million Entrepreneurs' Infrastructure Programme, which offers easy access and practical support to Australian businesses to develop entrepreneurial skills, commercialise good ideas and provide support to business in a simplified and streamlined way;
- the \$476 million⁴ Industry Skills Fund, prioritised through small and medium enterprises to re-skill or up-skill their existing workforce to take advantage of new technology, innovative work practices and emerging market opportunities; and
- development of the government's \$155 million Growth Fund to support employees, businesses and regions affected by the GM Holden and Toyota decisions to cease car manufacturing in 2017.⁵

1.8 In 2013–14 the department also set in train processes for building the foundation for a strong and sustainable organisation to provide evidence-based advice for the government's reform agenda. Following the department's restructure, it managed the transition of 12 streams of incoming and outgoing functions, including the transfer of about 760 staff into the department and 870 to other departments and agencies.⁶

1.9 During the financial year, the department also introduced significant efficiencies, which included: reducing the number of senior executive by 16 per cent; rationalising a number of boards and committees; commencing development of a consolidated corporate support model including shared services; and rationalising the department's office accommodation.⁷

1.10 The department's direction for the following year will include some of the following:

- focus on the implementation and delivery of key budget initiatives;
- finalising the Energy White Paper;

4 The figure should be \$476 million and not \$476 as indicated in Department of Industry, *Annual Report 2013–14*, p. 3.

5 Department of Industry, *Annual Report 2013–14*, p. 3.

6 Department of Industry, *Annual Report 2013–14*, p. 3.

7 Department of Industry, *Annual Report 2013–14*, p. 3.

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- consolidating functions into the Single Business Service Centre;
 - delivering and supporting key elements of the government's industry innovation and competitiveness agenda; and
 - improving the impact of the government's expenditure.

Operational matters

1.11 For the 2013–14 financial year, the department recorded an operating loss of \$41 million, including depreciation and amortisation of \$48.17million. Excluding depreciation and amortisation, the department recorded an operating surplus of \$6.75 million in 2013–14.⁸

1.12 The department reported administered income as largely relating to Royalty revenue, dividends issued by Snowy Hydro Limited, and registration fees generated by the National Offshore Petroleum Titles Administrator.⁹

1.13 Some of the department's administered expenses for programmes on behalf of the government included: \$1,114 billion to provide vocational education and training and support to students; \$1,711 billion in grants to universities to increase skills, qualifications and productivity; and \$434.25 million in grants to increase the production, use and awareness of science and research knowledge.¹⁰ The department reported a net equity of \$331 million as at 30 June 2014.¹¹

1.14 The department had budgeted for an approved loss up to \$1.20 million, in part, to allow for the one-off costs associated with incorporating these functions into and out of the department as a result of the recent machinery of government changes. The operating result also incorporated the full-year impact of the 2014 machinery of government changes.¹²

Geoscience Australia

1.15 In its report, Geoscience Australia recorded the following highlights for the reporting period included:

- Publication of various reports and data that underpin evidence-based technical advice to government. These included *Australian Energy Resource Assessment*, the OZMIN database, *Critical commodities for a high-tech world*, the *Australian Mines Atlas* and *Australia's Identified Mineral Resource*.¹³ They provided exploration and production information on Australia's resources to assist in policy development and identified new opportunities for

8 Department of Industry, *Annual Report 2013–14*, p. 4.

9 Department of Industry, *Annual Report 2013–14*, p. 5.

10 Department of Industry, *Annual Report 2013–14*, p. 5.

11 Department of Industry, *Annual Report 2013–14*, p. 4.

12 Department of Industry, *Annual Report 2013–14*, p. 4.

13 Department of Industry, *Annual Report 2013–14*, p. 280.

industry.¹⁴ The *Australian Energy Resource Assessment* report provided an update to the 2010 edition, and offered critical statistics and analysis for discussion about Australia's energy future and the development of the government's Energy White Paper.¹⁵

- Development of the Australian Geoscience Data Cube, a major step towards more open and useful government science data. This data will allow scientists to analyse hundreds of thousands of images simultaneously and can be used for a wide range of applications, including carbon accounting, Antarctic science, and mapping of vegetation change, flood inundation, surface minerals, shallow water bathymetry, and land cover.¹⁶
- Publication of the results of the ground-breaking Broken Hill Managed Aquifer Recharge (BHMAR) project managed by the Department of the Environment. Geoscience Australia identified a range of new groundwater and managed aquifer recharge options for the Broken Hill region.¹⁷

IP Australia

1.16 Similarly, some of the highlights for IP Australia for the 2013–14 period included:

- An increase in demand for Australian IP rights in 2013–14, which reflected international trends. The filing of patent applications domestically returned to levels previously reached prior to the global financial crisis (GFC) in 2007, and the filing of applications for trademarks similarly grew and returned to pre-GFC levels sooner.¹⁸
- IP Australia continued its work with engaging with IP professionals, academics and representatives of other government agencies on its strategic research program and making relevant data available for broader scrutiny and use.¹⁹
- IP Australia became the first Commonwealth agency to volunteer to undergo an agency Capability Review by the Australian Public Service Commissioner (APSC). These external assessments provided insight into the agency's strengths and weaknesses, which enabled it to address any capability gaps. The review's preliminary findings have shaped IP Australia's operational planning for 2014–15.²⁰

14 Department of Industry, *Annual Report 2013–14*, p. 281.

15 Department of Industry, *Annual Report 2013–14*, p. 268.

16 Department of Industry, *Annual Report 2013–14*, p. 269.

17 Department of Industry, *Annual Report 2013–14*, pp. 269 and 281.

18 Department of Industry, *Annual Report 2013–14*, p. 384.

19 Department of Industry, *Annual Report 2013–14*, p. 384.

20 Department of Industry, *Annual Report 2013–14*, p. 385.

1.17 IP Australia operates independently of the Department of Industry on financial matters, and with some degree of autonomy on other matters, and recovers more than 98 per cent of its costs by charging fees for its IP rights service.²¹

Reporting requirements

1.18 The Department of Industry's 2013–14 annual report, which incorporates Geoscience Australia and IP Australia, is well presented, with easy to locate information and provides a 'clear read' between information contained in the annual report and the Portfolio Budget Statements (PBS). Information in Key Performance Indicators (KPIs) contains quantitative as well as qualitative information for benchmarking and assessing whether estimates have been achieved over the reporting period. For 2013–14, the KPIs for the programs of outcomes 1, 2 and 5 are set out in the Department of Industry 2013–14 Portfolio Additional Estimates Statements (PAES), DIICSRTE 2013–14 PBS and DRET 2013–14 PBS. For the programs of outcome 3, the deliverables set out in the Department of Industry 2013–14 PAES and DIICSRTE 2013–14 PBS are used as the KPIs.²²

1.19 The annual report for the Department of Industry, incorporating Geoscience Australia and IP Australia, closely adheres to the compliance index with the inclusion of some suggested reporting requirements such as significant changes in nature of principal functions or services;²³ factors, events or trends influencing departmental performance;²⁴ and contribution of risk management in achieving objectives.²⁵ Furthermore, by incorporating a range of real life case studies into the department's annual report, complex information is made more user-friendly. In the area of external scrutiny, the committee is pleased to note the annual report's comprehensive summary of the different types of external scrutiny the department has undergone, including its appearance before several parliamentary senate estimates hearings.²⁶ The committee considers that Department of Industry, Geoscience Australia and IP Australia, have met their reporting obligations under the Acts and the annual report is 'apparently satisfactory'.

Department of the Treasury

1.20 The Department of the Treasury's ('the department' or 'Treasury') 2013–14 annual report was tabled in the Senate on 17 November 2014²⁷ and in the House of Representatives on 24 November 2014.

21 Department of Industry, *Annual Report 2013–14*, p. 388.

22 Department of Industry, *Annual Report 2013–14*, p. 12.

23 Department of Industry, *Annual Report 2013–14*, pp. 10–12 and 13–16.

24 Department of Industry, *Annual Report 2013–14*, pp. 14–15, 30–31, 40–41 and 52–53.

25 Department of Industry, *Annual Report 2013–14*, pp. 69–70.

26 Department of Industry, *Annual Report 2013–14*, p. 71.

27 Tabled in the chamber having been presented out of session on 31 October 2014.

Review by Departmental Secretary

1.21 In the Secretary's last departmental review, Dr Parkinson outlined the transitional environments in which the Australian economy operated and the role of the Department of the Treasury (Treasury) during this period of transition.

1.22 While economic activity picked up in the United States, United Kingdom and Japan and remained weak in Europe, it eased in the emerging economies following their prominent role in driving economic activity post the global financial crisis (GFC).²⁸

1.23 According to Dr Parkinson, on the domestic front, the Australian economy continued its shift from investment in the resource sector towards non-resource sectors. This shift has been slower than anticipated with economic activity recording below trend growth for several years, which resulted in a building output gap and an increase in the unemployment rate.²⁹ Presented with the above conditions, and with a backdrop of falling terms of trade, the secretary explained that for Australia to deliver economic growth sufficient to reduce unemployment and continue to enjoy living standards improvements, priority needs to be directed towards boosting the country's productivity growth and ensuring fiscal sustainability.³⁰

1.24 In 2013–14, following the federal election, Treasury focused on the delivery of the government's election commitments for the remainder of the year. In this context, the department provided advice on pathways to fiscal consolidation over the medium-term and assisted the National Commission of Audit through the provision of staff, and information on structure and components of government revenue and expenditure.³¹

1.25 The 2013–14 period was also a transitional period for the department. Following completion of the Australian Public Service Commission Capability Review of Treasury, the department responded by developing a Capability Action Plan (incorporating some reforms which were already in train), which focused on improving performance in four main areas: leadership and change management; and planning, budgeting and measuring.³²

1.26 Against the department's backdrop of shrinking resources and a reduction of up to a third of staff from their previous peak in 2011, the department continued its strong focus on improving Treasury's knowledge base and organisational strategies. The secretary commended staff for their professionalism and resilience for their continued provision of high-calibre policy analysis advice in such challenging circumstances.³³

28 Department of Treasury, *Annual Report 2013–14*, p. 3.

29 Department of Treasury, *Annual Report 2013–14*, p. 3.

30 Department of Treasury, *Annual Report 2013–14*, p. 3.

31 Department of Treasury, *Annual Report 2013–14*, p. 3.

32 Department of Treasury, *Annual Report 2013–14*, p. 4.

33 Department of Treasury, *Annual Report 2013–14*, p. 5.

1.27 The following highlights were among some of the Secretary's listed highlights:

- support provided for the G20 tax agenda, including the department's contribution to the development of the OECD action plan on base erosion and profit-shifting, and consultation with businesses on exchange of information proposals.³⁴
- assistance provided to maintain a robust and dynamic financial system, and ensured that regulatory frameworks promote macroeconomic stability and market confidence via the implementation of financial regulatory reforms, including rules that address the availability and quality of financial advice; likewise, progress on the implementation of internationally agreed regulatory reforms designed to support financial stability.³⁵
- secretariat support provided to the Financial System Inquiry and the Competition Policy Review, which provided recommendations to the government on how to ensure the financial regulation and competition policy frameworks are best positioned to support productivity growth and economic stability.³⁶
- continued development of Treasury's two-way secondment program where Treasury staff have been seconded to the Business Council of Australia, BHP Biliton, the Financial Services Council and the Australian Bankers Association. Secondments to other parts of the public service have included: the Reserve Bank of Australia, the Australian Taxation Office, the Australian Competition and Consumer Commission, Department of Foreign Affairs and Trade, the Australian National University's Tax and Transfer Policy Institute and the Commission of Audit.³⁷

Operational matters

1.28 The annual report noted that the Treasury received an unqualified audit report on the 2013–2014 financial statements from the Australian National Audit Office (ANAO).³⁸

1.29 The department reported a surplus of \$0.3 million, compared to a surplus of \$3.0 million previously. Employee expenses increased by \$10.4 million from the previous year mainly due to the voluntary redundancy process. Likewise, supplier expenses increased by \$8.3 million from the previous reporting period mainly due to

34 Department of Treasury, *Annual Report 2013–14*, p. 4.

35 Department of Treasury, *Annual Report 2013–14*, p. 4.

36 Department of Treasury, *Annual Report 2013–14*, p. 4.

37 Department of Treasury, *Annual Report 2013–14*, p. 5.

38 Department of Treasury, *Annual Report 2013–14*, p. 12.

expenditure relating to the hosting the G20 Finance Ministers' and Central Bank Governors' meetings as part of Australia's 2014 host year.³⁹

1.30 The department incurred \$93.8 billion in administered expenses in 2013–14, compared to the \$81.4 billion in 2012–13, Treasury provided a one-off \$8.8 billion grant to the Reserve Bank of Australia (RBA) to strengthen its financial position to the level considered appropriate by the RBA Board. There was also an increase in grant expenses to the states and territories that the Treasury provides under the *Intergovernmental Agreement on Federal Financial Relations*.

1.31 The Treasury's departmental net asset position decreased by \$3.6 million in 2013–14, mainly due to the recognition of separation and redundancies payable at 30 June 2014.⁴⁰ Conversely, Treasury's net assets increased by \$12.3 billion for the reporting period; this was mainly attributed to an increase in the value of Treasury's investments in Australian Government Entities. The department reported sufficient cash reserves to fund liabilities.⁴¹

1.32 During the reporting period, Treasury advised Treasury ministers, other ministers of the Government and relevant stakeholders on a range of macroeconomic issues, including:

- an analysis of the Australian and international economic outlook, including the Australian fiscal outlook, and prepared macroeconomic forecasts;
- monitoring domestic and international economic, financial and policy developments to assess their implications for macroeconomic policy settings; and
- an analysis on drivers of the Australian economy and factors likely to influence medium-term economic performance, including productivity. This analysis was used to develop policy recommendations to improve Australia's economic growth, living standards and wellbeing.⁴²

1.33 For 2013–14, Treasury contributed to public debate and awareness of budget decisions and the fiscal outlook when it reported roughly 460,000 unique visitors to the Budget website between 2014–15 Budget and 30 June 2014 and over 3.9 million pages having been viewed.⁴³ Treasury has jointly prepared with the Department of Finance other information made widely accessible including the *Budget Overview*, *Building Australia's Infrastructure*, and information books on the topics of *Higher Education*, *Health*, and *Social Services*.⁴⁴ In consultation with the AOFM, Treasury

39 Department of Treasury, *Annual Report 2013–14*, p. 12.

40 Department of Treasury, *Annual Report 2013–14*, p. 12.

41 Department of Treasury, *Annual Report 2013–14*, p. 12.

42 Department of Treasury, *Annual Report 2013–14*, p. 24.

43 Department of Treasury, *Annual Report 2012–13*, p. 32; Department of Treasury, *Annual Report 2013–14*, p. 31.

44 Department of Treasury, *Annual Report 2013–14*, p. 31.

also provided advice on debt issuance and debt policy issues. This included advice on issues affecting the government's debt management operations including the performance, governance and functioning of the Commonwealth debt market.⁴⁵

1.34 Through the Markets Group, Treasury provided advice on policies intended to promote competitive, efficient markets and to enhance consumer wellbeing; a secure financial system and sound corporate practices; and foreign investment consistent with Australia's interest.⁴⁶

1.35 The department also provided a range of advice to the government on:

- the prudential framework applying to financial markets, including the banking sector, insurers, superannuation funds and capital markets;⁴⁷
- foreign investment and trade policy, and continued to participate in free trade agreement negotiations;⁴⁸
- the improved operation of Australia's financial reporting, corporate governance and corporate insolvency regimes;⁴⁹
- competition in product and services markets, and to support the interests of Australian consumers.⁵⁰

1.36 The department also assumed the lead role in advising the government on whole of government policy settings to support the efficient operation of the Australian small business sector.⁵¹

Reporting requirements

1.37 The committee commends the Department of Treasury for its continued high-quality and comprehensive coverage of the department's operations and performance over the reporting period. The annual report's layout and format is user-friendly, especially with its inclusion of graphics, trend information and relevant visuals to break up the block of information presented in text form. This arrangement enhances the presentation of complex information. Furthermore, the list of requirements is closely adhered to, making information easy to locate. The committee is pleased to note the inclusion of suggested information such as: the approach adopted to identifying areas of significant financial or operational risk; how the nature and amount of remuneration for SES officers is determined; workforce planning, staff turnover and retention.⁵²

45 Department of Treasury, *Annual Report 2013–14*, p. 32.

46 Department of Treasury, *Annual Report 2013–14*, p. 40.

47 Department of Treasury, *Annual Report 2013–14*, p. 40.

48 Department of Treasury, *Annual Report 2013–14*, p. 40.

49 Department of Treasury, *Annual Report 2013–14*, p. 40.

50 Department of Treasury, *Annual Report 2013–14*, p. 40.

51 Department of Treasury, *Annual Report 2013–14*, pp. 40–41.

52 Department of Treasury, *Annual Report 2013–14*, pp. 77–78, 84, 88 and 233.

1.38 In relation to external scrutiny, the committee is pleased to note that Treasury has included a list of parliamentary committees it has participated in for 2013–14, as well as recent reports from the ANAO.⁵³

1.39 The committee considers the Department of Treasury's 2013–14 annual report 'apparently satisfactory'.

1.40 The committee would like to express its appreciation to the Treasury for regularly appearing at estimates and contributing to the committee's inquiries in 2013–14, as well as to other parliamentary inquiries. However, as previously noted, the committee is disappointed in the significant number of late answers to questions on notice.

53 Department of Treasury, *Annual Report 2013–14, Audit report Number 9 2013–14: Determination and Collection of Financial Industry Levies*, p. 81.

Chapter 2

Individual 2013–14 Annual Reports

2.1 On this occasion, the committee has decided to examine in more detail the following annual reports tabled by 31 October 2014 and some after the date, but before the tabling of this Report on Annual Report:

2.2 For the Industry portfolio:

- Australian Institute of Marine Science (AIMS);
- Australian Nuclear Science and Technology Organisation (ANSTO);
- Australian Renewable Energy Agency (ARENA);
- Australian Skills Quality Authority (ASQA)¹;
- Commonwealth Scientific and Industrial Research Organisation (CSIRO);

2.3 For the Treasury portfolio:

- Australian Bureau of Statistics (ABS);
- Australian Competition and Consumer Commission ACCC [incorporating the report of the Australian Energy Regulator (AER)];
- Australian Securities and Investments Commission (ASIC);²
- Commissioner of Taxation (Australian Taxation Office or ATO);
- Inspector-General of Taxation (IGT);
- Productivity Commission (PC);

Reports under the Industry portfolio

Australian Institute of Marine Science

Operational matters

2.4 The operations of the Australian Institute of Marine Science (AIMS) are supported by a mix of commonwealth government appropriation funding, non-appropriation funding from state and territory governments, competitive research

1 Following the machinery of government changes arising from the Administrative Arrangements Orders dated 23 December 2014, the Department of Industry was changed to the Department of Industry and Science, and the agency ASQA was transferred to the Education portfolio. Vocational education and training functions from the Industry portfolio was also transferred to the Education portfolio. Under the Industry portfolio ASQA is examined for the final time in this report.

2 Also stands referred to the Parliamentary Joint Committee on Corporations and Financial Services (PJC).

funds, environmental regulators and the private sector. AIMS' total revenue for 2013–14 was \$52.7 million, an increase of \$1 million on the previous financial year.³

2.5 In 2013–14, AIMS's external revenue generated from research projects was \$16.909 million, of which over 80 per cent came from major grants and project contracts from Australian government departments and agencies. This is a small drop from \$16.971 million recorded in 2012–13.⁴

2.6 In recognition of AIMS' important role in the growth and development of Australia's 'blue economy', the federal government allocated an extra \$30.9 million to its budget from 2014 to 2017 to support additional research and the operation of AIMS' new National Sea Simulator (SeaSim).⁵

2.7 In line with the minister's expectations, AIMS established three key outcomes to guide them over the next 10 years: a healthy and resilient Great Barrier Reef; sustainable coastal ecosystems and industries; and ecologically sustainable offshore oil and gas development.⁶

2.8 Some highlights for 2013–14 included:

- developing the Reef 2050 Plan—a long term sustainability plan for the Great Barrier Reef World Heritage Area;
- rethinking the 'neutral theory of biodiversity' and the role of common species in reef ecosystems; and
- helping industry determine the impact of the Montara oil spill.⁷

2.9 As previously reported, AIMS researchers continued their strong publication record within their fields of expertise—climate change, biodiversity, water quality and marine microbiology. For the 2013 calendar year, AIMS scientists produced 260 publications, including high profile articles in some of the world's most prestigious multidisciplinary journals.⁸

Reporting requirements

2.10 The annual report of the Australian Institute of Marine Science is prepared in accordance with reporting obligations under the CAC Act, the Finance Minister's Commonwealth Authorities (Annual Reporting) Orders 2011, and requirements set out in the AIMS Act.⁹

3 Australian Institute of Marine Science, *Annual Report 2013–14*, p. 52.

4 Australian Institute of Marine Science, *Annual Report 2013–14*, p. 54.

5 Australian Institute of Marine Science, *Annual Report 2013–14*, p. 3.

6 Australian Institute of Marine Science, *Annual Report 2013–14*, p. 3.

7 Australian Institute of Marine Science, *Annual Report 2013–14*, p. 23.

8 Australian Institute of Marine Science, *Annual Report 2013–14*, p. 25.

9 Australian Institute of Marine Science, *Annual Report 2013–14*, p. 167.

2.11 The committee commends AIMS for a well presented and accessible report. The reports is clear in design, easy to read, and is comprehensive. The inclusion of an assessment of its deliverables against key performance indicators (KPIs) is very useful. Likewise, the use of trend information, graphs and tables enhances information. The committee is pleased to note AIMS has included its expenditure on consultancies for 2013–14, which was previously omitted from its 2012–13 report.¹⁰ The committee considers the annual report 'apparently satisfactory'.

Australian Nuclear Science and Technology Organisation

Operational matters

2.12 The Australian Nuclear Science and Technology Organisation (ANSTO) reported an excellent year for 2013–14. During the reporting period ANSTO achieved significant progress on key projects, including:

- The commissioning of two new accelerators—used to analyse materials, often using extremely small samples, to determine their elemental composition and age—that will form part of the \$25 million Centre for Accelerator Science (CAS). CAS's suite of four accelerators will be unique in the region and will provide access to a suite of advanced tools and sophisticated solutions in one location.¹¹
- The commencement of the \$168 million of Australian Nuclear Medicine (ANM) Project building works which will position Australia as a global leader in the high-end manufacturing of nuclear medicines used in over 45 million medical procedures globally each year to diagnose cancers, heart disease, muscular and skeletal conditions.¹²
- An additional five instruments were under construction or in various stages of commissioning at ANSTO's Bragg Institute which uses OPAL's neutrons to solve complex research and industrial problems.¹³
- ANSTO experienced unprecedented demand for silicon irradiation services for the microelectronics industry from Asian and European companies, becoming the leading global supplier. ANSTO's silicon ingots are used in microelectronic switching devices in a range of applications such as power infrastructure, high-speed trains and to facilitate the development of energy from renewable sources such as wind.¹⁴

10 Australian Institute of Marine Science, *Annual Report 2013–14*, p. 70.

11 Australian Nuclear Science and Technology Organisation, *Annual Report 2013–14*, pp. 7 and 30.

12 Australian Nuclear Science and Technology Organisation, *Annual Report 2013–14*, pp. 7 and 11.

13 Australian Nuclear Science and Technology Organisation, *Annual Report 2013–14*, p. 12.

14 Australian Nuclear Science and Technology Organisation, *Annual Report 2013–14*, p. 14.

- ANSTO's work on the Defence Materials Technology Centre Armour Applications Program was recognised with the Eureka Prize for Outstanding Science in Safeguarding Australia.¹⁵
- ANSTO's commitment to a family friendly workplace was demonstrated through the KU ANSTO Children's Centre, which opened in September 2013 at its Lucas Heights campus. The centre supports employees with young families and supports women who aspire to have careers at ANSTO.¹⁶

Reporting requirements

2.13 The committee considers that ANSTO has met its reporting requirements under the Acts and its annual report is 'apparently satisfactory'.

2.14 The report is well presented and written in accessible language. The addition of relevant information in the appendices, such as the various legislative requirements governing ANSTO, is very useful. Likewise, the inclusion of a glossary and acronym page and ANSTO's assessment of actual performance against KPIs is helpful.¹⁷ ANSTO received an unqualified audit report from the Auditor-General for its 2013–14 financial statements.¹⁸

Australian Renewable Energy Agency

Operational matters

2.15 The Australian Renewable Energy Agency (ARENA) plays a complementary role to the Renewable Energy Target (RET) and Clean Energy Finance Corporation (CEFC). While the RET drives the uptake of the cheapest mature renewables, and the CEFC provides finance to help bring near-commercial and commercial projects to reality, ARENA helps progress promising technologies along the innovation chain. ARENA provides funding to earlier stage solutions than the CEFC and co-invests with the CEFC in later-stage projects that are not fully commercially competitive.¹⁹

2.16 As the bill to abolish ARENA and to consolidate its functions into the Department of Industry and return uncommitted funds to the budget had not passed the Senate, ARENA continued to operate under the Australian Renewable Energy Agency Act 2011 (ARENA Act).²⁰

2.17 As at 30 June 2014, ARENA reported \$1.2 billion dollars of commitments for more than 200 projects, scholarships and fellowships, with a total value of around \$3.5 billion. This amounts to \$1.90 in additional financial support from industry and other

15 Australian Nuclear Science and Technology Organisation, *Annual Report 2013–14*, p. 9.

16 Australian Nuclear Science and Technology Organisation, *Annual Report 2013–14*, p. 10.

17 Australian Nuclear Science and Technology Organisation, *Annual Report 2013–14*, p. 48.

18 Australian Nuclear Science and Technology Organisation, *Annual Report 2013–14*, pp. 49–50.

19 Australian Renewable Energy Agency, *Annual Report 2013–14*, p. 7.

20 Australian Renewable Energy Agency, *Annual Report 2013–14*, p. 11.

parties for every dollar managed by ARENA.²¹ A significant proportion (70 per cent) of these very diverse projects were located in regional and remote Australia.²²

2.18 In 2013–14, ARENA continued to build on the strong foundations established in the previous year. Some examples included:

- The assessment of 384 applications for funding, mostly for programs launched in June 2013 and also for the Research and Development Program launched in January 2014, which resulted in 48 projects being approved for funding.²³
- ARENA's workforce increased from 56 to a peak of 83, in order to meet stakeholder expectations and minimise project-related risks. The level of agency staff is anticipated to decrease to reflect future tight budgets.²⁴
- The world's first solar-created supercritical steam was among some breakthrough achievements—reinforcing Australia's international reputation for renewable energy innovation and expertise.²⁵

Reporting requirements

2.19 The committee considers that ARENA has met its reporting obligations under the Acts and its annual report to be 'apparently satisfactory'.

2.20 ARENA received an unqualified audit report on its financial statements for 2013–14.²⁶ Information contained in the annual report is clearly grouped into distinct sections with a clear layout and design, and includes a useful list of figures and tables, acronyms and a contents table for each section.

Australian Skills Quality Authority

Operational matters

2.21 As the national vocational education and training (VET) regulator, the Australian Skills Quality Authority (ASQA) undertook six reform projects to streamline its regulatory activities and make it easier for quality providers to meet the national standards.²⁷

2.22 ASQA released its inaugural three Strategic Reviews that this year focused on aged and community care; entry-level construction industry training; and the marketing and advertising practices of training providers.²⁸

21 Australian Renewable Energy Agency, *Annual Report 2013–14*, p. 3.

22 Australian Renewable Energy Agency, *Annual Report 2013–14*, p. 3.

23 Australian Renewable Energy Agency, *Annual Report 2013–14*, p. 3.

24 Australian Renewable Energy Agency, *Annual Report 2013–14*, p. 3.

25 Australian Renewable Energy Agency, *Annual Report 2013–14*, p. 3.

26 Australian Renewable Energy Agency, *Annual Report 2013–14*, p. 40.

27 Australian Skills Quality Authority, *Annual Report 2013-14*, p. 1.

28 Australian Skills Quality Authority, *Annual Report 2013-14*, p. 1.

2.23 ASQA reported an operating loss for 2013–14 of \$0.130 million (three per cent of departmental revenue). The operating loss was due primarily to the effect of unfunded depreciation and amortisation expenses (\$3.166 million). The approved operating loss for 2013–14 was \$2.494 million.²⁹

2.24 During the reporting period, ASQA received 7,619 applications, and finalised 8,817 applications, of which 8,382 (close to 95 per cent) were approved.³⁰

Reporting requirements

2.25 The committee considers that ASQA has met its reporting requirements under the Acts and its annual report is 'apparently satisfactory'.

2.26 The report would benefit from including more information about consultancies. The report included the number of new consultancy contracts and their total value, but does not contain any information on whether there were any ongoing consultancy contracts.

Commonwealth Scientific and Industrial Research Organisation

Operational matters

2.27 According to the Chairman and Chief Executive of the Commonwealth Scientific and Industrial Research Organisation (CSIRO), the 2013–14 period has been a transformational period for the organisation. He noted that, as a result of its organisation-wide review, the CSIRO had implemented a new organisational structure with particular focus on its business lines—Impact Science, National Facilities, and Collections and CSIRO Services. This structure was implemented to better leverage the opportunities of CSIRO's large-scale multidisciplinary applied research and occurred in the context of a tight federal budget.³¹

2.28 For 2013–14, CSIRO reported a deficit from ongoing operations of \$25.7 million. CSIRO's total revenue of \$1,244.9 million included \$778.2 million in government appropriation and \$466.7 million in revenue generated from other sources.³²

2.29 Some highlights for 2013–14 included:

- CSIRO's excellence reflected by its placement in the top two for citation rate amongst its global peers. This was 47 per cent better than the global average;³³
- CSIRO's continued focus on health and safety yielded a 28 per cent reduction in staff injuries requiring time off;³⁴

29 Australian Skills Quality Authority, *Annual Report 2013-14*, p. 66.

30 Australian Skills Quality Authority, *Annual Report 2013-14*, pp. 1 and 66.

31 Commonwealth Scientific and Industrial Research Organisation, *Annual Report 2013–14*, pp. iv, 2–5 and 12.

32 Commonwealth Scientific and Industrial Research Organisation, *Annual Report 2013–14*, p. 17.

33 Commonwealth Scientific and Industrial Research Organisation, *Annual Report 2013–14*, p. 7.

- CSIRO worked with 1200 Australian SMEs, 500 big Australian companies and 450 multinationals;³⁵
- CSIRO's long-term partnerships increased by 20 per cent, and it has worked with 37 of the 39 Australian universities;³⁶
- CSIRO shared its science with 366,305 school students via its Education Centres;³⁷
- CSIRO achieved top 1% in 14 research fields globally;³⁸
- 4,855 development days delivered through CSIRO's learning and development curriculum;³⁹ and
- 30 per cent of CSIRO's 644 patent families have been the result of collaborative activity, 64 per cent with industry partners.⁴⁰

2.30 This annual report marks the Chief Executive's final report with the conclusion of Dr Megan Clark's six-year term. Dr Clark was awarded a Companion of the Order of Australia for her contribution to CSIRO and to the nation.⁴¹

Reporting requirements

2.31 The committee commends the CSIRO on its comprehensive annual report. The well presented report is easy to read and includes accessible information in the appendices, indexes containing acronyms, glossary, contacts and a compliance index. Information on performance measured against KPIs are helpful to readers and provides accountability and transparency. The committee considers the CSIRO has met its reporting obligations and the report is 'apparently satisfactory'.

Reports under the Treasury portfolio

Australian Bureau of Statistics

Operational matters

2.32 The Australian Bureau of Statistics' (ABS) annual report contained a report of particular note. In May 2014, ABS employee was arrested by the Australian Federal Police for alleged insider trading. The ABS commissioned an independent review of the ABS's 'system of controls relating to the unauthorised disclosure of market

34 Commonwealth Scientific and Industrial Research Organisation, *Annual Report 2013–14*, p. 7.

35 Commonwealth Scientific and Industrial Research Organisation, *Annual Report 2013–14*, p. 7.

36 Commonwealth Scientific and Industrial Research Organisation, *Annual Report 2013–14*, p. 7.

37 Commonwealth Scientific and Industrial Research Organisation, *Annual Report 2013–14*, p. 7.

38 Commonwealth Scientific and Industrial Research Organisation, *Annual Report 2013–14*, p. 7.

39 Commonwealth Scientific and Industrial Research Organisation, *Annual Report 2013–14*, p. 7.

40 Commonwealth Scientific and Industrial Research Organisation, *Annual Report 2013–14*, p. 7.

41 Commonwealth Scientific and Industrial Research Organisation, *Annual Report 2013–14*, p. 3.

sensitive information'.⁴² The ABS is in the process of implementing recommendations made in the report to strengthen its system of controls.⁴³

2.33 The ABS has taken some key steps to move into the online and social media spheres. In 2013, the ABS created the popular and award-winning iOS app 'Run That Town'—a game that allows players to make planning decisions for their town based on real Census data from 2011.⁴⁴ The game has been downloaded more than 70,000 times.⁴⁵ In 2013–14, the ABS began the use of e-forms for surveys, which has achieved a take-up target of more than 85 per cent consistently by business.⁴⁶ This initiative has reduced environmental costs as well as added convenience for the providers.⁴⁷

Reporting requirements

2.34 The committee considers the ABS has met its reporting requirements under the FMA Act.

2.35 Although the report on performance included a number of statements noting whether KPIs were historically met, this was not present for all KPIs.

2.36 Attention needs to be given to including all the requirements for advertising and market research legislation.⁴⁸

Australian Competition and Consumer Commission [incorporating the Australian Energy Regulator]

2.37 In its annual report, the Australian Competition and Consumer Commission (ACCC) reported on a number of significant matters, which are outlined below.

Operational matters

2.38 During the reporting period, the ACCC undertook proceedings against cartel conduct by NSK Australia Pty Ltd and Koyo Australia Pty Ltd operating in the ball bearings market, which resulted in the Federal Court ordering each to pay \$3 million and \$2 million respectively.⁴⁹

2.39 The ACCC saw a significant closing of the gap between revenue and expenditure from the previous two financial years to this year. The 2013–14 financial

42 Australian Bureau of Statistics, *Annual Report 2013–14*, p. 2.

43 Australian Bureau of Statistics, *Annual Report 2013–14*, p. 2.

44 Australian Bureau of Statistics, *Annual Report 2013–14*, p. 4.

45 Australian Bureau of Statistics, *Annual Report 2013–14*, p. 34.

46 Australian Bureau of Statistics, *Annual Report 2013–14*, p. 3.

47 Australian Bureau of Statistics, *Annual Report 2013–14*, p. 29.

48 Australian Bureau of Statistics, *Annual Report 2013–14*, p. 127.

49 Australian Competition and Consumer Commission and Australian Energy Regulator, *Annual Report 2013–14*, pp. 2, 30 and 32.

year saw an operating loss of \$2.438 million, as compared to \$25.984 million operating loss in 2012–13.⁵⁰

2.40 Staffing costs made up a significant portion (58 per cent) of the ACCC expenditure and the commission was required to reduce staff numbers in order to bring down operating costs.⁵¹ Eighty-one staff left through the voluntary redundancy program, making the organisation more financially sustainable.⁵²

Australian Energy Regulator

2.41 The Australian Energy Regulator (AER) is the national energy market regulator. Its roles cover the retail and wholesale electricity and gas markets and energy network infrastructure. The AER's common legislative objective is to promote efficient investment in, and efficient operation and use of, energy services for the long-term interests of end users.⁵³

2.42 The AER operates under the *Competition and Consumer Act 2010* (Competition and Consumer Act) and its annual reporting requirements falls under both the FMA Act and section 44AAJ of the Competition and Consumer Act. In order to provide more detailed information on its performance, the AER started to publish its own separate annual report on 19 September 2013, which is available on its webpage.⁵⁴

2.43 In 2013–14, the AER published five reports when the spot price for electricity exceeded \$5,000 per megawatt hour and when the ancillary service price exceeded \$5,000 per megawatt for a sustained period. These reports, which identified and described factors contributing to the high prices, included reports examining high spot prices on 15 January 2014 in South Australia and Victoria, high ancillary service prices on 1 October 2013 in South Australia, and significant gas price change on 25 June 2013 in Adelaide's short-term trading hub.⁵⁵

Reporting requirements

2.44 The committee considers that the ACCC and AER have met their reporting requirements under the Acts and compliments them on a well-structured report. The

50 Australian Competition and Consumer Commission and Australian Energy Regulator, *Annual Report 2013–14*, p. 9.

51 Australian Competition and Consumer Commission and Australian Energy Regulator, *Annual Report 2013–14*, pp.8–9 and 207.

52 Australian Competition and Consumer Commission and Australian Energy Regulator, *Annual Report 2013–14*, p. 207.

53 Australian Competition and Consumer Commission and Australian Energy Regulator, *Annual Report 2013–14*, p. 158.

54 Australian Competition and Consumer Commission and Australian Energy Regulator, *Annual Report 2013–14*, p. 158.

55 Australian Competition and Consumer Commission and Australian Energy Regulator, *Annual Report 2013–14*, p. 164.

inclusion of case studies to highlight the range of work activities and its relevance to the community is very useful.⁵⁶

2.45 The annual report has included information on payments of more than \$12,400 (GST inclusive) for advertising and market research services as required by section 311A of the *Commonwealth Electoral Act 1918*.⁵⁷

Australian Securities and Investments Commission

Operational matters

2.46 In its annual report, the Australian Securities and Investments Commission noted that its budget had been reduced by around \$120 million over four years. This reduction was in addition to the increased efficiency dividend of about \$47 million over four years, and other savings measures.⁵⁸

2.47 Against this backdrop, ASIC's operating budget will be reduced by \$44 million or about 12 per cent in 2014–15 and its staffing levels will fall by 209. The Chair, Mr Medcraft, reported, that as a consequence, measures had been taken to adjust resource allocation to reflect available funding, and to fulfil the agency's statutory role. ASIC's proactive surveillance would be substantially reduced.⁵⁹

2.48 In 2013–14, ASIC reported a decrease in appropriation revenue, down to \$347 million from \$350 million in the previous year. There was also a decrease from \$17 million in other revenue in 2012–13 to \$5 million in 2013–14. The decrease in appropriation was attributed to a decrease in revenue drawn down to fund investigations from the Enforcement Special Account, largely offset by a net increase in operational funding, as well as funding for specific initiatives. These initiatives included implementing ASIC's G20 commitments regarding over-the-counter derivatives, increasing service levels in the Customer Contact Centre, and additional operating funding for the Superannuation Complaints Tribunal.⁶⁰

2.49 The decrease in other revenue related predominantly to the reduction in the recovery of costs from the Companies Unclaimed Monies Special Account, which was abolished in December 2012.⁶¹

2.50 During the same reporting period, ASIC raised \$763 million in revenue for the Commonwealth in fees and charges, which was an increase of 6 per cent from 2012–2013. The increase was driven by an increase in the corporate registry (new

56 See for example the case study on the Quad bike safety campaign on social media—*Would you risk it?*, Australian Competition and Consumer Commission and Australian Energy Regulator, *Annual Report 2013–14*, p. 94.

57 Australian Competition and Consumer Commission and Australian Energy Regulator, *Annual Report 2013–14*, p. 316.

58 Australian Securities and Investments Commission, *Annual Report 2013–14*, p. 4

59 Australian Securities and Investments Commission, *Annual Report 2013–14*, p. 4

60 Australian Securities and Investments Commission, *Annual Report 2013–14*, p. 24.

61 Australian Securities and Investments Commission, *Annual Report 2013–14*, p. 24.

companies), an increase in Business Names revenue and fee indexation of 2.5 per cent.⁶²

2.51 In 2013–14, ASIC prioritised most of its resource allocation to enforcement (35 per cent), registry (25 per cent) and surveillance (20 per cent). The remainder was made up of engagement with industry and stakeholders, education, policy advice and guidance.⁶³

2.52 Some key outcomes delivered by ASIC in 2013–14 included the following:

- ASIC reviewed the financial reports of 425 listed and large unlisted entities, and 100 large proprietary companies, and made specific inquiries of 87 entities on 160 matters. Its risk-based surveillance led to material changes to 4 per cent of the financial reports it reviewed in previous reporting periods.⁶⁴
- In July 2013, ASIC issued the final rules and regulatory guidance for over-the-counter (OTC) derivatives trade reporting obligations for financial institutions and the regulation of derivative trade repositories. The package of rules gave effect to the Australian Government's G20 commitments on OTC derivatives trade reporting and was intended to promote financial stability.⁶⁵
- ASIC completed 54 civil and criminal litigation and administration actions, and 125 investigations to promote market integrity. It secured 15 criminal convictions and six imprisonments.⁶⁶
- ASIC achieved eight insider-trading criminal outcomes, including seven criminal convictions.⁶⁷
- ASIC's surveillance program targeted company directors with a history of failed companies to detect and combat illegal phoenix activity. During the reporting period, ASIC identified 1,400 companies and 2,500 individuals in the building and construction, labour hire transport, security and cleaning industries. As a result of its risk assessment, ASIC conducted 214 surveillances, with ongoing investigations⁶⁸
- ASIC assisted the Corporate and Markets Advisory Committee (CAMAC) review of the establishment and operation of managed investment schemes. The report from this review proposed a range of recommendations, including

62 Australian Securities and Investments Commission, *Annual Report 2013–14*, p. 24.

63 Australian Securities and Investments Commission, *Annual Report 2013–14*, p. 7.

64 Australian Securities and Investments Commission, *Annual Report 2013–14*, p. 42.

65 Australian Securities and Investments Commission, *Annual Report 2013–14*, p. 43.

66 Australian Securities and Investments Commission, *Annual Report 2013–14*, p. 45.

67 Australian Securities and Investments Commission, *Annual Report 2013–14*, p. 45.

68 Australian Securities and Investments Commission, *Annual Report 2013–14*, p. 43.

a new regulatory structure to streamline the operation of schemes and reduce compliance costs.⁶⁹

Reporting requirements

2.53 The committee considers ASIC to have met its reporting obligations and the annual report is 'apparently satisfactory'.

2.54 The annual report of ASIC is well-presented, with easy to reference information and good use of relevant graphs, tables and pictures to enhance the information contained.

Commissioner of Taxation (Australian Taxation Office)

Operational matters

2.55 In his 2013–14 annual report, the Commissioner of Taxation (also referred to as Australian Taxation Office or the ATO) noted that the ATO had developed a four-year corporate plan. Key features of the plan included a number of improved performance measures as well as six strategic risks being identified: revenue collection; IT systems; financial management; relationships; people capability; and service expectations.⁷⁰

2.56 The ATO reported an operating surplus of \$0.6 million and a reduction of about 1,400 staff with a further 2,000 expected to leave in 2014–15.⁷¹

2.57 According to the Commissioner, engagement with taxpayers is improving with complaints made to ATO down by 9.5 per cent to 23,900.⁷² There had also been an uptake of the new mobile app with 196,000 downloads as well as the new *myTax*, for individuals with simple affairs to lodge their tax returns, which was used for 745,200 lodgements.⁷³

Reporting requirements

2.58 The committee considers that the ATO has met its reporting requirements under the FMA Act and compliments it on a well-structured report. The report is considered 'apparently satisfactory'.

Inspector-General of Taxation

Operational matters

2.59 The Inspector-General of Taxation's (IGT) key role is to review systemic tax administration issues and report to the government. In this reporting year, the IGT conducted a review into the ATO's management of transfer pricing as well as the

69 Australian Securities and Investments Commission, *Annual Report 2013–14*, p. 36.

70 Australian Taxation Office, *Annual Report 2013–14*, pp. 96-97.

71 The figure of about 1,400 staff is derived from a workforce of over 25,000 employees being reduced to around 23,600 employees. Australian Taxation Office, *Annual Report 2013–14*, p. 3

72 Australian Taxation Office, *Annual Report 2013–14*, pp. iii and 95.

73 Australian Taxation Office, *Annual Report 2013–14*, pp. iv, 3, and 42.

ATO's compliance risk assessment tools. It also conducted three reviews into key areas affecting individual taxpayers.⁷⁴

Reporting requirements

2.60 The committee considers that the IGT has broadly met its reporting requirements under the Acts.

2.61 The report contained a statement on the actual expenditure of consultancies, but omitted the number of contracts. It was also not clear whether the total actual expenditure included both new and ongoing consultancies.⁷⁵

2.62 The report should note whether the IGT gives performance pay to its employees, and if so, the number of employees at each level who receive it, the aggregated amount at each level, and the average bonus payment at each level. It is not clear in the report whether the IGT provides its staff with performance pay.⁷⁶

Productivity Commission

Operational matters

2.63 During the reporting period, the Productivity Commission (PC) reported decreased revenue from both government (from \$37.4 million in 2012–13 to \$36.4 million in 2013–14) and other sources (from \$1.1 million in 2012–13 to \$0.9 million in 2013–14). Operating expenses decreased slightly by about \$100,000 from the previous period. The PC's major expenses related to employee expenses, supplier payments and asset depreciation, amortisation and related expenses.⁷⁷ After excluding depreciation and amortisation expenses, the Commission reported a surplus of \$1.1 million.⁷⁸

2.64 The Chair reported an unusual year consisting of uneven periods of work intensity; the workload was intense between October and May, dropped off since May when the rate of new work referred to the PC decreased. This occurred in the context of reduced staff and decreased expenditure on a range of administrative costs and economic forums.⁷⁹ Some of the work commenced and completed included:

- inquiries into motor vehicles, Tasmanian shipping and freight, labour mobility, and SPC Ardmona's call for emergency tariff assistance;
- the Commission's first flagship research paper on an ageing Australia;
- continued inquiries in relation to access to justice and early education and child care; and

74 Inspector-General of Taxation, *Annual Report 2013–14*, p. 23.

75 Inspector-General of Taxation, *Annual Report 2013–14*, p. 34.

76 Inspector-General of Taxation, *Annual Report 2013–14*, pp. 31–32.

77 Productivity Commission, *Annual Report 2013–14*, p. 30.

78 Productivity Commission, *Annual Report 2013–14*, p. 30.

79 Productivity Commission, *Annual Report 2013–14*, p. vii.

- commenced work on national disaster funding arrangements.⁸⁰

2.65 The Productivity Commission Act and the Australian Government's Competitive Neutrality Policy Statement⁸¹ require the Productivity Commission to report annually on the number of complaints it receives about the practices of government businesses and business activities and the outcomes of its investigations into those complaints. For 2013–14, the Commission received one formal complaint in relation to PETNET Australia, a wholly owned subsidiary of the Australian Nuclear Science and Technology Organisation (ANSTO). The complaint was not formally investigated.⁸²

Reporting requirements

2.66 Overall, the committee commends the Productivity Commission for a well presented and user friendly annual report containing comprehensive information on the range of work activities undertaken by the Commission. The committee notes the annual report has a compliance index.

2.67 The committee considers that the Productivity Commission has met its reporting requirements under the Acts and its annual report is 'apparently satisfactory'.

Superannuation Complaints Tribunal

Operational matters

2.68 The annual report of the Superannuation Complaints Tribunal (the Tribunal) was tabled in the Senate on 27 October 2014 and in the House of Representatives on 22 October 2014. The Tribunal is an independent dispute resolution body which deals with a diverse range of superannuation-related complaints and offers a free user-friendly alternative to the court system. It is required to provide mechanisms that are 'fair, economical, informal and quick' for the purposes of inquiring into, conciliating and reviewing complaints.⁸³

2.69 For 2013–14, the Tribunal reported 'a very good year'. This was mainly attributed to the Tribunal's process re-engineering project commenced in 2011–12 and to the dedication of its staff. Some measurable outcomes as a result of these factors included the following:

- an increase of 26.1 per cent in the total of written complaints (from 1,264 to 1,594) within the Tribunal's jurisdiction had been resolved or withdrawn compared to the previous year;⁸⁴

80 Productivity Commission, *Annual Report 2013–14*, p. vii.

81 Competitive neutrality policy seeks to ensure that government businesses do not have advantages (or disadvantages) over private sector counterparts simply by virtue of their public ownership. See Productivity Commission, *Annual Report 2013–14*, p. 7.

82 Productivity Commission, *Annual Report 2013–14*, pp. 7 and 79–80.

83 Superannuation Complaints Tribunal, *Annual Report 2013–14*, pp. ii.

84 Superannuation Complaints Tribunal, *Annual Report 2013–14*, p. 2.

- a significant rise in the number of conciliation conferences were held, from 424 in 2012–13 to 748 for 2013–14, or a rise of 76.4 per cent;⁸⁵
- the number of complaints resolved at review increased by about 103 per cent, with 270 complaints resolved compared to 133 in 2012–13;⁸⁶
- the average cost per complaint resolved decreased by over 7 per cent, from \$2,650 in 2012–13 to \$2,445 in 2013–14;⁸⁷; and
- the median length of time for complaints to be resolved at review have decreased by 135 days.⁸⁸

2.70 The annual report included a status update on the recommendations contained in the Australian Securities and Investments Commission's operational audit of the Tribunal in 2013. These recommendations related to digitalisation and record-keeping and destruction, strengthening key performance indicators, and the co-location of the Tribunal with ASIC to achieve greater efficiencies. The Tribunal was relocated to ASIC's Melbourne offices shortly after the 2013–14 reporting year. Other recommendations have either been completed or are in the process of being implemented.⁸⁹

Reporting requirements

2.71 The annual report for the Superannuation Complaints Tribunal is prepared in accordance with section 67 of the *Superannuation (Resolution of Complaints) Act 1993* (SRC Act) and the *Guidelines for the content, preparation and presentation of annual reports by statutory authorities* as set out in the Senate Hansard of 11 November 1982, p.2261. Although the report is also prepared in accordance with the *Requirements for Annual Reports*, the Tribunal is not bound to comply with the *Requirements for annual reports*, issued by the Department of Prime Minister and Cabinet (29 May 2014), but has had regard to them so far as they are relevant. The Tribunal is also not required to comply with either the *Commonwealth Authorities and Companies Orders for Report of Operations* (August 1998) or with the *Financial Management & Accountability Act 1997*.⁹⁰

2.72 The annual report is well structured and easy to read, with relevant information clearly separated in sections and presented in tabulated format, graphs and charts. The committee considers the Tribunal's annual report to be 'apparently satisfactory'.

85 Superannuation Complaints Tribunal, *Annual Report 2013–14*, p. 2.

86 Superannuation Complaints Tribunal, *Annual Report 2013–14*, p. 2.

87 Superannuation Complaints Tribunal, *Annual Report 2013–14*, p. 2.

88 Superannuation Complaints Tribunal, *Annual Report 2013–14*, p. 2.

89 Superannuation Complaints Tribunal, *Annual Report 2013–14*, p. 4.

90 Superannuation Complaints Tribunal, *Annual Report 2013–14*, pp. ii and 83.

Senator Sean Edwards

Chair

Appendix 1

Industry portfolio

List of annual reports tabled in the Senate in the period 1 May 2014 to 31 October 2014, and before report tabling

Reporting body	Legislation	Date of transmittal letter	Date sent to/ Date received by Minister (if known)	Date tabled/ presented*
Department of Industry, Report for 2013-14, incorporating the reports of Geoscience Australia and IP Australia	<i>Australian Constitution and Administrative Arrangements Order</i> <i>Geoscience Australia—Financial Management and Accountability Regulations 1997</i> <i>IP Australia—Designs Act 2003, Patents Act 1990 and Trade Marks Act 1995</i>	13.10.14	—	Senate 28.10.14 HoR 28.10.14
Australian Institute of Marine Science	Section 9 of the <i>Commonwealth Authorities and Companies Act 1997</i> <i>Australian Institute of Marine Science 1972 section 7</i>	10.9.14	11.9.14/ 11.9.14	Senate 27.10.14 (17.10.14) HoR 20.10.14
Australian Nuclear Science and Technology Organisation	Section 9 of the <i>Commonwealth Authorities and Companies Act 1997</i> <i>Australian Nuclear Science and Technology Organisation Act 1987 section 4</i>	16.9.14	9.9.14/ 9.9.14	Senate 27.10.14 (15.10.14) HoR 20.10.14

Australian Renewable Energy Agency	<p><i>Australian Renewable Energy Agency Act 2011</i></p> <p>Section 9 of the <i>Commonwealth Authorities and Companies Act 1997</i></p>	2.10.14	—	<p>Senate 29.10.14</p> <p>HoR 29.10.14</p>
Australian Skills Quality Authority	<p>Section 215(1) of the <i>National Vocational Education and Training Regulator Act 2011</i></p> <p>Section 70 of the <i>Public Service Act 1999</i></p>	26.9.14	—	<p>Senate 29.10.14</p> <p>HoR 29.10.14</p>
Commonwealth Scientific and Industrial Research Organisation (CSIRO)	<p>Section 8 of the <i>Science and Industry Research Act 1949</i></p> <p>Section 9 of the <i>Commonwealth Authorities and Companies Act 1997</i></p>	1.9.14	9.9.14/ 9.9.14	<p>Senate 27.10.14 (15.10.14)</p> <p>HoR 20.10.14</p>
IIF Investments Pty Limited	<p><i>Corporations Act 2001</i></p> <p><i>Commonwealth Authorities and Companies Act 1997</i></p>	29.10.14	29.10.14/ 30.10.14	<p>Senate 2.12.14</p> <p>HoR 2.12.14</p>
Innovation Australia	Section 46 of the <i>Industry Research and Development Act 1986</i>	—	5.11.14/ 5.11.14	<p>Senate 3.12.14</p> <p>HoR 3.12.14</p>

National Offshore Petroleum Safety and Environmental Management Authority	Section 690 of the <i>Offshore Petroleum and Greenhouse Gas Storage Act 2006</i>	24.9.14	2.10.14/ 2.10.14	Senate 27.10.14 (15.10.14) HoR 20.10.14
Snowy Hydro Limited, Financial report for the period 30 June 2013 to 28 June 2014	<i>Corporations Act 2001</i>	—	13.10.14/ 21.10.14	Senate 25.11.14 HoR 25.11.14

Appendix 2

Treasury portfolio

List of annual reports, and additional reports tabled in the Senate in the period 1 May 2014 to 31 October 2014, and before the tabling of this report

Reporting body	Legislation	Date of transmittal letter	Date sent to / Date received by Minister (if known)	Date tabled/ (presented)
Department of the Treasury	Section 63 of the <i>Public Service Act 1999</i>	3.10.14	3.10.14/ 3.10.14	Senate (31.10.14) 17.11.14 HoR 24.11.14
Auditing and Assurance Standards Board	Part 12 Division 3 and 236DG of the <i>Australian Securities and Investments Commission Act 2001</i>	2.10.14	20.10.14/ 20.10.14	Senate (31.10.14) 17.11.14 HoR 24.11.14
Australian Accounting Standards Board	Part 12 Division 3 and 235J of the <i>Australian Securities and Investments Commission Act 2001</i>	2.10.14	20.10.14/ 20.10.14	Senate (31.10.14) 17.11.14 HoR 24.11.14
Australian Bureau of Statistics	Section 24 of the <i>Australian Bureau of Statistics Act 1975</i>	23.9.14	2.10.14/ 2.10.14	Senate (15.10.14) 27.10.14 HoR 20.10.14
Australian Charities and Not-for-Profits Commission	<i>Australian Charities and Not-for-profits Commission Act</i>	2.10.14	—	Senate 29.10.14 HoR

Reporting body	Legislation	Date of transmittal letter	Date sent to / Date received by Minister (if known)	Date tabled/ (presented)
(ACNC)	2012			29.10.14
Australian Competition and Consumer Commission [incorporating report of the Australian Energy Regulator]	Section 63 of the <i>Public Service Act 1999</i> Sections 44AAJ(1) and 171 of the <i>Competition and Consumer Act 2010</i>	10.10.14	—	Senate 29.10.14 HoR 29.10.14
Australian Office of Financial Management	Section 63 of the <i>Public Service Act 1999</i>	3.10.14	3.10.14/ 3.10.14	Senate 17.11.14 HoR 30.10.14
Australian Prudential Regulation Authority	Section 59 of the <i>Australian Prudential Regulation Authority Act 1998</i>	13.10.14	23.10.14/ 23.10.14	Senate (31.10.14) 17.11.14 HoR 24.11.14
Australian Reinsurance Pool Corporation	Section 9 of the <i>Commonwealth Authorities and Companies Act 1997</i>	24.9.14	—	Senate 27.10.14 HoR 27.10.14
Australian Statistics Advisory Council	Section 24 of the <i>Australian Bureau of Statistics Act 1975</i>	3.10.14	14.10.14/ 14.10.14	Senate 27.10.14 (16.10.14) HoR 22.10.14
Australian	Section 136 of the	10.10.14	—	Senate

Reporting body	Legislation	Date of transmittal letter	Date sent to / Date received by Minister (if known)	Date tabled/ (presented)
Securities and Investments Commission	<i>Australian Securities and Investments Commission Act 2001</i>			29.10.14 HoR 29.10.14
Clean Energy Finance Corporation ¹	Section 9 of the <i>Commonwealth Authorities and Companies Act 1997</i>	18.9.14	22.10.14/ 22.10.14	Senate 17.11.14 (31.10.14) HoR 24.11.14
Commissioner of Taxation (ATO)	<i>Taxation Administration Act 1953</i> <i>Public Service Act 1999</i> <i>Financial Management and Accountability Act 1997</i>	10.10.14	—	Senate 29.10.14 HoR 29.10.14
Commonwealth Grants Commission	Section 63 of the <i>Public Service Act 1999</i>	1.10.14	1.10.14/ 1.10.14	Senate 17.11.14 HoR 30.10.14
Companies Auditors and Liquidators Disciplinary Board	Section 214 of the <i>Australian Securities and Investments Commission Act 2001</i>	29.8.14	—	Senate 24.9.14 HoR 24.9.14

1 Forwarded to the Finance and Public Administration Legislation Committee also.

Reporting body	Legislation	Date of transmittal letter	Date sent to / Date received by Minister (if known)	Date tabled/ (presented)
Corporations and Markets Advisory Committee	Section 162 of the <i>Australian Securities and Investments Commission Act 2001</i>	1.10.14	24.10.14/ 24.10.14	Senate 17.11.14 HoR 30.10.14
Financial Reporting Council—Report for 2013–14 on auditor independence	Section 235B and subsection 225(2B) of the <i>Australian Securities and Investment Commission Act 2001</i>	17.10.14	20.10.14/ 20.10.14	Senate 17.11.14 (31.10.14) HoR 24.11.14
Inspector-General of Taxation	Section 41 of the <i>Inspector-General of Taxation Act 2003</i>	30.9.14	10.10.14/ 10.10.14	Senate 27.10.14 (16.10.14) HoR 22.10.14
National Competition Council	29O of the <i>Competition and Consumer Act 2010</i>	26.8.14	—	Senate 29.10.14 HoR 29.10.14
Productivity Commission	Section 12 of the <i>Productivity Commission Act 1998</i>	9.10.14	14.10.14/ 14.10.14	Senate 27.10.14 HoR 22.10.14
Reserve Bank of Australia	Section 9 of the <i>Commonwealth Authorities and Companies</i>	12.9.14	12.9.14/ 12.9.14	Senate 27.10.14 HoR

Reporting body	Legislation	Date of transmittal letter	Date sent to / Date received by Minister (if known)	Date tabled/ (presented)
	<i>Act 1997</i>			2.10.14
Royal Australian Mint	Section 63 of the <i>Public Service Act 1999</i>	15.10.14	20.10.14/ 20.10.14	Senate 17.11.14 (31.10.14) HoR 24.11.14
Superannuation Complaints Tribunal	Section 67 of the <i>Superannuation (Resolution of Complaints) Act 1993</i>	25.9.14	26.9.14/ 26.9.14	Senate 27.10.14 HoR 22.10.14
Takeovers Panel	Section 183 of the <i>Australian Securities and Investments Commission Act 2001</i>	15.10.14	20.10.14/ 20.10.14	Senate 17.11.14 (31.10.14) HoR 24.11.14
Tax Practitioners Board	Subsection 60–130(1) of the <i>Tax Agent Services Act 2009</i>	14.10.14	—	Senate 29.10.14 HoR 29.10.14