

The Senate

Economics Legislation Committee

Annual reports (No. 1 of 2005)

March 2005

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Senate Economics Legislation Committee

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Senator Ursula Stephens, Deputy Chair	(New South Wales, ALP)
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Senator Andrew Murray	(Western Australia, AD)
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Senator Ruth Webber	(Western Australia, ALP)

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Senator Allison to replace Senator Murray for matters relating to the Resources portfolio

Senator Lundy to replace Senator Webber for the committee's consideration of the provisions of the Trade Practices Legislation Amendment Bill (No. 1) 2005

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REVIEW OF ANNUAL REPORTS

Preface

1.1 Annual reports of departments and agencies are referred to Legislation Committees under Senate Standing Order 25 (21)¹. The portfolio responsibilities allocated to the Economics Legislation Committee are for the departments and agencies within the Treasury and Industry, Tourism and Resources portfolios. When considering these reports the Committee is required 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 reports².

Reports presented

1.2 The agencies which tabled annual reports in Parliament in the portfolios referred to the Economics Committee are listed below, and in **Appendices 1 and 2**.

1 November 2004

2 Standing Orders 25(21), November 2004, p. 28

All agencies that were required to present reports have done so unless otherwise noted in the report.

Industry, Tourism and Resources portfolio

- AusIndustry-Industry, Research and Development Board
- Australian Tourist Commission
- Department of Industry, Tourism and Resources
- National Standards Commission
- Pooled Development Funds Registration Board
- Snowy Hydro Limited

Treasury portfolio

- Australia and the International Financial Institutions
- Australian Bureau of Statistics
- Australian Competition and Consumer Commission
- Australian Office of Financial Management
- Australian Prudential Regulation Authority
- Australian Reinsurance Pool Corporation
- Australian Securities and Investment Commission
- Australian Statistics Advisory Council
- Commissioner of Taxation
- Companies Auditors Liquidators Disciplinary Board
- Corporations and Markets Advisory Committee
- Financial Reporting Council and Australian Accounting Standards Board
- Foreign Investment Review Board
- Inspector-General of Taxation
- National Competition Council
- Productivity Commission
- Reserve Bank of Australia
- Reserve Bank of Australia Equity and Diversity Report
- Reserve Bank – Payments System Board
- Superannuation Complaints Tribunal
- Takeovers Panel
- Treasury

Requirements

1.3 The information contained in annual reports is an important tool in the process of accountability to Parliament, as it provides ministers and the Parliament with advice about the activities of departments and agencies over the financial year. To fulfil their accountability functions, annual reports are required to meet requirements as contained in:

- *Requirements for Annual Reports*, June 2004, produced by the Department of Prime Minister and Cabinet;
- *Commonwealth Authorities and Companies Act 1997*;
- *Public Service Act 1999*; and
- *Acts Interpretation Act 1901*.

1.4 The legislation identifies the types of Commonwealth authorities that are required to table an annual report and establishes the administrative processes and timing for tabling. In addition, the *Requirements for Annual Reports* June 2004 identifies the elements required to be included in annual reports. This information ensures that agencies' annual reports meet their accountability requirements and offer consistency to readers. The core information required in each annual report is as follows:

- letter of transmittal;
- review by the departmental secretary;
- departmental overview;
- report on performance;
- management and accountability;
- a table of contents and index;
- financial statements; and
- glossary of abbreviations and acronyms.

1.5 Requirements for the annual reports of non-statutory bodies are set out in the Government response to recommendations of the then Senate Standing Committee on Finance and Government Operations in its report entitled, *Reporting Requirements for the Annual Reports of Non-Statutory Bodies*. The response was incorporated into the Senate *Hansard* of 8 December 1987³.

Comments on Reports

1.6 Standing Order 25(21)(a) requires the Committee to examine the annual reports referred and to determine if they are apparently satisfactory. In assessing the

3 *Official Senate Hansard*, 8 December 1987, pp 2643-45

annual reports, the Committee noted the timeliness of presentation in addition to the factors contained in the guidelines as noted above.

1.7 The Committee notes that a large number of annual reports had not been tabled by the 31 October timeline. The Committee is mindful that a likely reason for the tardiness of tabling reports may be due to the 2004 federal election. However the Committee brings to the attention of all departments and agencies the provision of presenting documents to the President of the Senate when Parliament is not in session. Documents presented in this manner under Standing Order 166 are deemed to be 'tabled out of session' on the date on which they are presented to the President. **Appendices 1 and 2** indicates the dates on which departments and agencies had reported by.

1.8 Additionally, a small number of reports failed to meet some of the basic requirements. These omissions included:

- failure to include a letter of transmittal (Australian Securities and Investments Commission, Reserve Bank of Australia, Reserve Bank of Australia – Equity and Diversity, Reserve Bank of Australia – Payments System Board, and Snowy Hydro Limited).
- failure to identify the legislation under which the report is presented (Reserve Bank of Australia, and Reserve Bank of Australia – Payments System Board).
- failure to provide a foreword summary overview by the departmental secretary or agency head (Companies Auditors and Liquidators Disciplinary Board, Corporations and Markets Advisory Committee, Productivity Commission, and Reserve Bank of Australia – Payments System Board).
- failure by some agencies to supply an Internet homepage web address and/or an Internet address for their annual report.

These agencies should ensure that future annual reports include these details.

1.9 Otherwise, the Committee considers the tabled reports 'apparently satisfactory' within the meaning of Standing Order 25(21)(a).

Australian Taxation Office – Taxation (Interest on Overpayments and Early Payments) Act 1983 and Commonwealth Places Windfall Tax (Collection) Act 1998 - Failure to present reports

1.10 The Committee further notes the two cases it had identified in the first report on annual reports 2004 where the Australian Taxation Office had failed to report on legislation it administers. The legislation, *Taxation (Interest on Overpayments and Early Payments) Act 1983* and *Commonwealth Places Windfall Tax (Collection) Act 1998* both require annual reporting to the Parliament.⁴

4 *Economics Legislation Committee, Annual reports (No. 1 of 2004), March 2004*

Australian Technology Group Limited – Change in reporting

1.11 In past years the Australian Technology Group Limited, a government business enterprise, produced a separate annual report within the Industry, Tourism and Resources portfolio. However, the Department of Industry, Tourism and Resources divested its minority interest in the group to the Department of Finance and Administration on 31 March 2004.

Australian Tourist Commission – Final report

1.12 The 2003-04 annual report of the Australian Tourist Commission is the commission's final report. The new *Tourism Australia Act 2004* and the *Tourism Australia (Repeal and Transitional Provisions) Act 2004*, assented to on 23 June 2004, establishes the formation of Tourism Australia and will amalgamate the functions of the Australian Tourism Commission, the Bureau of Tourism Research, the Tourism Forecasting Council, and See Australia into one organisation. Tourism Australia will be responsible for international and domestic tourism, marketing and research.

Australian Reinsurance Pool Corporation and Inspector-General of Taxation – Inaugural reports

1.13 The Committee welcomes the receipt of the first annual reports by the Australian Reinsurance Pool Corporation and the Inspector-General of Taxation and is pleased with the high standard of reporting in accordance with the guidelines set out in the Department of Prime Minister and Cabinet's *Requirements for Annual Reports*.

Debate on Annual Reports in the Senate

1.14 Under Standing Order 25(21)(d) the Committee is required to consider any remarks made in reference to the annual reports in the Senate chamber.

1.15 No annual reports considered in this report have been the subject of discussion in the Senate.

SENATOR GEORGE BRANDIS
Chairman

APPENDIX 1

INDUSTRY, TOURISM AND RESOURCES PORTFOLIO - LIST OF ANNUAL REPORTS AND DATES

Department/Agency	Legislation	Date of Transmittal	Date of Tabling
AusIndustry - Industry, Research and Development Board	<i>Industry Research and Development Act 1986</i>	29/11/04	24/1/05*
Australian Tourist Commission	<i>Commonwealth Authorities and Companies Act 1997</i>	10/9/04	24/11/04*
Industry, Tourism and Resources	<i>Public Service Act 1999</i>	13/9/04	14/10/04
National Standards Commission	<i>Commonwealth Authorities and Companies Act 1997</i>	24/8/04	5/10/04
Pooled Development Funds Registration Board	<i>Pooled Development Funds Act 1992 and Venture Capital Act 2002</i>	14/12/04	24/2/05*
Snowy Hydro Limited	<i>Snowy Hydro Corporatisation Act 1997</i>	15/11/04	8/12/04

* A copy of each annual report is to be laid before each House of the Parliament on or before 31 October in the year the report is given. These reports were tabled after that date.

APPENDIX 2

TREASURY PORTFOLIO - LIST OF ANNUAL REPORTS AND DATES

Department/Agency	Legislation	Date of Transmittal	Date of Tabling
The Treasury	<i>Public Service Act 1999</i>	15/10/04	29/10/04
Australia and the International Financial Institutions	<i>International Monetary Agreements Act 1947</i>		21/12/04*
Australian Bureau of Statistics	<i>Australian Bureau of Statistics Act 1975</i>	27/8/04	7/10/04
Australian Competition and Consumer Commission	<i>Trade Practices Act 1974</i>	15/9/04	26/11/04*
Australian Office of Financial Management	<i>Public Service Act 1999</i>	11/10/04	29/10/04
Australian Prudential Regulation Authority	<i>Commonwealth Authorities and Companies Act 1997</i>	17/9/04	8/11/04*
Australian Reinsurance Pool Corporation	<i>Commonwealth Authorities and Companies Act 1997</i>	21/9/04	4/11/04*
Australian Securities and Investments Commission	<i>Commonwealth Authorities and Companies Act 1997</i>	20/10/04	17/11/04*
Australian Statistics Advisory Council	<i>Australian Bureau of Statistics Act 1975</i>	27/9/04	17/11/04*
Commissioner of Taxation	<i>Public Service Act 1999</i>	25/10/04	4/11/04*
Companies Auditors and Liquidators	<i>Australian Securities and</i>	13/10/04	17/11/04*

Department/Agency	Legislation	Date of Transmittal	Date of Tabling
Disciplinary Board	<i>Investments and Investments Commission Act 2001</i>		
Corporations and Markets Advisory Committee	<i>Commonwealth Authorities and Companies Act 1997</i>	8/9/04	17/11/04*
Financial Reporting Council and the Australian Accounting Standards Board	<i>Australian Securities and Investments Commission Act 2001 and the Commonwealth Authorities and Companies Act 1997</i>	20/9/04	17/11/04*
Foreign Investment Review Board	<i>Not required to present a report</i>	10/12/04	5/1/05
Inspector-General of Taxation	<i>Inspector-General of Taxation Act 2003</i>	18/10/04	4/11/04*
National Competition Council	<i>Trade Practices Act 1974</i>	29/8/04	29/11/04*
Productivity Commission	<i>Productivity Commission Act 1998</i>	30/11/04	8/3/05*
Reserve Bank of Australia	<i>Commonwealth Authorities and Companies Act 199</i>		1/9/04
Reserve Bank of Australia – Equity and Diversity	<i>Equal Employment Opportunity (Commonwealth Authorities) Act 1987</i>	6/9/04	17/11/04
Reserve Bank of Australia – Payment Systems Board	<i>Reserve Bank Act 1959</i>		26/11/04*
Superannuation Complaints Tribunal	<i>Superannuation (Resolution of Complaints) Act 1993</i>	23/09/04	8/2/05*

Department/Agency	Legislation	Date of Transmittal	Date of Tabling
Takeovers Panel	<i>Australian Securities and Investments Commission Act 2001 and Public Service Act 1999</i>	23/9/04	30/11/04*

* A copy of each annual report is to be laid before each House of the Parliament on or before 31 October in the year the report is given. These reports were tabled after that date.

