

REVIEW OF ANNUAL REPORTS

Preface

1.1 Annual reports of departments and agencies are referred to Legislation Committees under Senate Standing Order 25(21) in accordance with an allocation of departments and agencies in a resolution of the Senate. 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 reports.¹

Allocated portfolios

1.2 The Senate last amended the continuing order relating to the allocation of departments and agencies to committees on 17 November 2004.² Accordingly, the departments and agencies within the Treasury and Industry, Tourism and Resources portfolios are allocated to the Economics Legislation Committee.

1 Standing Order 25(21), *The Senate, Standing Orders and other orders of the Senate*, November 2004, pp. 27-28.

2 *Journals of the Senate*, 17 November 2004, pp 46-47.

Annual reports referred

1.3 This report must examine those annual reports tabled between 1 November 2004 and 30 April 2005.³

1.4 During that period the Industry Research and Development Board Annual Report and corrigendum were tabled, however the Committee reported on this annual report in its previous report.⁴ No other reports were tabled that would require the Committee's consideration.

Australian Taxation Office – Reporting on the operation of certain Acts

1.5 In previous reports, the Committee referred to two Acts under which the Commissioner of Taxation is required to give an annual report to the Minister for tabling in Parliament.⁵ These two Acts are the *Taxation (Interest on Overpayments and Early Payments) Act 1983*, and the *Commonwealth Places Windfall Tax (Collection) Act 1998*.

1.6 The Commissioner for Taxation informed the Committee that the Acts had been reported on in the Australian Taxation Office Annual Report 2003–04 within the Notes to the Financial Statements on pages 375 and 376 respectively. For future annual reports, the Commissioner has undertaken to include a table of all legislation reported on in the annual report and the Financial Statements, with page references. The Committee welcomes this undertaking.

Dates for tabling Annual Reports

1.7 In its last report, the Committee noted that a number of annual reports were tabled after the 31 October 2004 timeline. Accordingly the Committee wrote to these organisations to seek an explanation. In many cases, agencies replied that because they were subject to the *Commonwealth Authorities and Companies Act 1997*, or other specific legislation, the *Requirements for Annual Reports* issued by the Department of Prime Minister and Cabinet do not apply to them.

1.8 There are two points that the Committee wishes to make in relation to this matter. Firstly, in relation to their annual reports, the majority of Commonwealth agencies are apparently not subject to the detailed criteria set out in the *Requirements for Annual Reports*. According to a Research Note produced by the Parliamentary Library,⁶ in August 2004 there were 160 federal statutory agencies. Of these,

3 Standing Order 25(21)(f).

4 Economics Legislation Committee, Annual reports (No. 1 of 2005), March 2005.

5 Economics Legislation Committee, Annual Reports (No. 1 of 2004), March 2004, p. 4 and Annual Reports (No. 1 of 2005), March 2005, p. 4.

6 Parliament of Australia, Parliamentary Library, Research Note, *The Uhrig Review and the future of statutory authorities*, 30 May 2005, no. 50, 2004–05.

53 statutory agencies were subject to the Financial Management and Accountability and/or the Public Service Act, and therefore the *Requirements* apply to their annual reports. However, the bulk of agencies (107 in total) are either fully or partially subject to the Commonwealth Authorities and Companies Act, which according to Agencies whose reports come under the Committee's oversight, means that they do not have to comply with the *Requirements*, although many would use them as a guide.

1.9 Secondly, the Committee notes that the Commonwealth Authorities and Companies Act sets a deadline of the 15th day of the 4th month after the end of the financial year for presentation of a Commonwealth authority's annual report to the minister, who must then table the report as soon as practicable. This means that when the financial year ends on 30 June, and if no other deadline is set in an authority's governing legislation, the deadline for presentation to the minister will be 15 October. There is therefore sufficient time for the report to be tabled in Parliament by 31 October, in accordance with the Government's policy that reports be tabled by this date.⁷

1.10 It is clear from the Appendices of the Committee's last report on annual reports, that most of the agencies whose reports were tabled after 31 October 2004, presented their reports to the relevant minister by the required deadline set in the Commonwealth Authorities and Companies Act. Therefore the delay in tabling most likely originates in the ministers' offices. While the 2004 election no doubt played a part in this delay, the Committee observes that the Senate has well established processes for tabling reports out of session which could have been used to present the reports to Parliament.

Senator George Brandis
Chairman

7 *Requirements for Annual Reports*, p. 2.