

The Senate

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Finance and Public Administration  
Legislation Committee

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# Membership of the Committee

## Members

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# Chapter 1

## Introduction

1.1 The Senate Finance and Public Administration Legislation Committee (the committee) is responsible for examining the annual reports of the parliamentary departments,<sup>1</sup> and the departments and agencies of the Prime Minister and Cabinet Portfolio and the Finance Portfolio.

1.2 This is the second report on annual reports for 2015 and provides an overview of selected annual reports presented to the Parliament between 1 November 2014 and 30 April 2015. Copies of this and other committee reports can be obtained from the Senate Table Office, the committee secretariat or [online](#) at the committee's web page.

## Terms of reference

1.3 Under Senate Standing Order 25(20) the annual reports of certain departments and agencies stand referred to committees for examination and assessment. Each 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.

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1 As a matter of comity between the Houses of Parliament, neither House inquires into the operations of the other House. For this reason, neither the annual report of, nor the proposed expenditure for, the Department of the House of Representatives is referred to a Senate committee for review.

## **Allocated portfolios and changes to portfolios**

1.4 The Senate allocated departments and agencies to committees on 13 November 2013.<sup>2</sup> In accordance with that resolution, the committee has responsibility for the oversight of the following:

- Parliament;
- Prime Minister and Cabinet Portfolio (PM&C Portfolio); and
- Finance Portfolio.

## **Role of annual reports**

1.5 Annual reports place a great deal of information about government departments and agencies on the public record in relation to the performance, activities, management and financial position of the reporting body. The *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies* (PM&C Requirements for Annual Reports), note that '[t]he primary purpose of annual reports of departments is accountability, particularly to the Parliament.'<sup>3</sup> Annual reports assist the Parliament in the effective examination of the performance of departments and agencies, and the administration of government programs.

## **Reports examined**

1.6 During the period of 1 November 2014 to 30 April 2015, eleven annual reports of bodies or statutory office holders under the committee's oversight were presented to the Parliament and referred to the committee. The reports examined are categorised as follows:

### *Commonwealth authorities*

- Indigenous Business Australia – Report for 2013-14
- Torres Strait Regional Authority – Report for 2013-14
- Anindilyakwa Land Council – Report for 2013-14
- Northern Land Council – Report for 2013-14
- Tiwi Land Council – Report for 2013-14
- Central Land Council – Report for 2013-14
- Wreck Bay Aboriginal Community Council – Report for 2013-14
- Commonwealth Superannuation Corporation – Report for 2013-14

### *Commonwealth companies*

- Outback Stores Pty Ltd – Report for 2013-14

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2 *Journals of the Senate, No. 1*, 13 November 2013, pp 88-89.

3 Department of the Prime Minister and Cabinet, *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, 29 May 2014, p. 3.

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*Statutory office holders*

- Executive Director of Township Leasing – Report for 2013-14
- Aboriginal Land Commissioner – Report for 2013-14

**Reports not examined**

1.7 The committee is not obliged to examine reports on the operation of Acts, statements of corporate intent, surveys, policy papers, budget documents, corporate plans or errata. The following documents were also referred to the committee but not examined in this report:

- Australian Public Service Commission – State of the Service Report 2013-14
- Report of the Royal Commission into Trade Union Governance and Corruption - interim report – Volumes 1 and 2, 15 December 2014 (*Also referred to the Education and Employment Legislation Committee and the Legal and Constitutional Affairs Legislation Committee*)
- Wangkangurru Land Claim No. 156 - Report of the former Aboriginal Land Commissioner, Peter R A Gray, to the Minister for Indigenous Affairs and to the Administrator of the Northern Territory – Report No. 72
- Statement relating to extension of time for presentation of a periodic report – Outback Stores Pty Ltd Report for 2013-14
- Indigenous Australians – Closing the Gap
  - Ministerial Statement by the Minister for Indigenous Affairs
  - Prime Minister's report 2015 – Closing the Gap
- Official Witnesses before parliamentary committees and related matters – Government guidelines, dated February 2015
- Defence Housing Australia – Report for 2013-14 and Statement of Corporate 2014-15 (*Also referred to the Foreign Affairs, Defence and Trade Committee*)<sup>4</sup>
- *Members of Parliament (Staff) Act 1984* – Report for 2013-14
- Department of Finance – Consolidated financial statements for the year ended 30 June 2014
- Department of the Treasury - Tax Expenditures statement 2014
- Department of Finance – Certificate of Compliance Report for 2013-14
- Mid-year Economic and Fiscal Outlook – 2014-15
- Department of Finance – Campaign Advertising by Australian Government departments and agencies – Report for 2013-14, Replacement pages [4]

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4 This report was tabled in the House of Representatives on 30 October 2014 and in the Senate on 17 November 2014 and was inadvertently omitted from the committee's Report on Annual Reports (Report 1 of 2015).

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- *Personal Property Securities Act 2009* – Review of the Act – Final report by Mr Bruce Whittaker (Also referred to the Legal and Constitutional Affairs Legislation Committee)

### **Method of assessment**

1.8 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.

1.9 The *Financial Management and Accountability Act 1997* (FMA Act) and the *Commonwealth Authorities and Companies Act 1997* (CAC Act) were repealed on 30 June 2014 and replaced by the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) on 1 July 2014. Major changes to the PM&C Requirements for Annual Reports for the 2014-15 financial year in response to the PGPA Act were expected. However, the recently released PM&C Requirements for Annual Reports, dated 25 June 2015, note that '[s]ignificant revisions to the Requirements are anticipated for the 2015-16 financial year with the commencement of the performance reporting model under the...PGPA Act'.<sup>5</sup>

1.10 The 2013–14 annual reports of bodies examined in this report were prepared under the arrangements existing as at 30 June 2014 and set down in the following instruments:

- for portfolio departments and agencies, and the parliamentary departments: the *Public Service Act 1999*, sections 63(2) and 70(2), and the *Parliamentary Service Act 1999*, section 65; other relevant enabling legislation for statutory bodies; and the PM&C Requirements for Annual Reports (for departments and prescribed agencies under the FMA Act);
- for Commonwealth authorities and companies: the CAC Act, in particular, sections 9, 36 (which refers to requirements under the *Corporations Act 2001* for companies) and 48; and the *Commonwealth Authorities (Annual Reporting) Orders 2011* and the *Commonwealth Companies (Annual Reporting) Orders 2011*; and
- for non-statutory bodies: the guidelines are contained in the government response to the Senate Standing Committee on Finance and Public Administration Report on Non-Statutory bodies, *Senate Hansard*, 8 December 1987, pp 2632-45.

### **Non-reporting bodies**

1.11 Standing Order 25(20)(h) requires that the committee inquire into, and report on, any bodies which do not present annual reports to the Senate but should present such reports.

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5 Department of the Prime Minister and Cabinet, *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, 25 June 2015, p. i.

1.12 The committee notes that the last report of the Australian Political Exchange Council presented to the Parliament was on 12 May 2011<sup>6</sup> and was prepared as a triennial report covering the financial years 2007-08, 2008-09 and 2009-10.

1.13 The Australian Political Exchange Council is a non-statutory body that sits within the Finance Portfolio and aims to develop 'young Australian political leaders by providing opportunities to gain insights into the political systems and cultures of countries with which the Council has established exchange programmes.<sup>7</sup> The Department of Finance (Finance) provides secretariat services to the Council and its website states that it is funded through an annual appropriation to Finance and also receives in-kind donations from organisations and individuals.<sup>8</sup> The Council's expenditure is noted in Finance's annual report under the resource statement for Outcome 3.<sup>9</sup>

1.14 There is no statutory requirement for the Council to prepare an annual report by a specified date for presentation to the Parliament. However, the Council's operations are governed by its terms of reference which include a reporting requirement that the Council seek to:

arrange for regular reporting on the Council's activities to Parliament, the Principals and sponsors.<sup>10</sup>

1.15 The committee has previously urged the Council to take greater effort to meet this term of reference<sup>11</sup> and has encouraged the Council to adopt the practice of reporting within four months of the end of the financial year.<sup>12</sup> However, as noted above, the Council had moved to a triennial reporting period and does not appear to have prepared any further reports after 2011.

1.16 The Council's website has the last triennial report covering the years 2007-08, 2008-09 and 2009-2010 available and does not have any earlier reports. The committee notes that the Council's website does include details of incoming and outgoing delegations from 2011. While this is a useful inclusion in the absence of regular reports to the Parliament, the committee nonetheless reiterates its earlier view that the Council should endeavour to more appropriately meet its reporting requirements under its terms of reference. The committee's view is that the Council

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6 This report was tabled in the House of Representatives on 12 May 2011 and the Senate on 14 June 2011.

7 See <http://www.polexchange.org.au/index.html> (accessed 7 July 2015).

8 See <http://www.polexchange.org.au/councils-purpose.html> (accessed 7 July 2015).

9 See for example, *Department of Finance Annual Report 2013-14*, p. 66.

10 See <http://www.polexchange.org.au/councils-purpose.html> (accessed 7 July 2015).

11 Senate Finance and Public Administration Legislation Committee, Annual Reports (No. 1 of 2012), March 2012, p. 9.

12 Senate Finance and Public Administration Legislation Committee, Annual Reports (No. 2 of 2009), September 2009, p. 7.

should reinstate a more frequent and regular reporting regime to improve transparency and accountability of the Council's operations to the Parliament.

### **Timeliness**

1.17 Annual reports for departments, executive agencies and former FMA Act bodies are required to be tabled in Parliament by 31 October each year unless another date is specified in an agency's legislation and/or charter. The PM&C Requirements for Annual Reports state that 'it remains the Government's policy that all annual reports should be tabled by 31 October' and further notes that it is best practice for annual reports to be tabled prior to the Supplementary Budget Estimates hearings.<sup>13</sup> The committee considers the timely presentation of annual reports to be an important element in accountability and continues to encourage agencies to follow this policy.

1.18 Commonwealth authorities reporting under the CAC Act are required to provide an annual report to the responsible minister by the fifteenth day of the fourth month after the end of the financial year. For the standard financial year, this is 15 October. In accordance with section 34C(3) of the *Acts Interpretation Act 1901*, the Minister is required to present the report to the Parliament within 15 sitting days of that House after the day on which the report was received.<sup>14</sup>

1.19 Commonwealth companies are required under section 36 of the CAC Act to provide a report to the Minister four months after the end of the financial year, which is usually 31 October.<sup>15</sup> The Minister is required to table the report in the Parliament as soon as practicable after receiving it, or in the case of a company required to hold an annual general meeting, as soon as practicable after the meeting.<sup>16</sup>

1.20 Appendix 1 lists the annual reports tabled (or presented) in Parliament between 1 November 2014 and 30 April 2015, and referred to the committee, with relevant tabling dates.

1.21 As set out in Appendix 1, some bodies did not meet the required deadline for the provision of their annual report to the Minister in accordance with the requirements for Commonwealth authorities and companies as set out above. However, it is noted that all reports were presented to the Parliament within the required legislative timeframe by relevant Ministers.

1.22 It is noted that Outback Stores Pty Ltd sought an extension from the Minister for Indigenous Affairs for tabling the 2013-14 annual report in a letter dated 12 November 2014 due to an audit issue concerning the omission of a related party disclosure. The Minister agreed to the extension in a letter dated 10 December 2014

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13 PM&C Requirements for Annual Reports, 29 May 2014, p. 3.

14 Section 9, CAC Act.

15 If a company is required by the *Corporations Act 2001* to hold an annual general meeting, the company must give the report to the Minister on whichever is the earlier date of the following: 21 days before the next annual general meeting after the end of the financial year; or four months after the end of the financial year (see subsection 36(1A) of the CAC Act).

16 Section 36(4), CAC Act.

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which was subsequently tabled on 9 February 2015. In agreeing to the extension, the Minister noted:

I am concerned about the withdrawal of the audit opinion by the Australian National Audit Office (ANAO) and related party disclosures being omitted from the Outback Stores' annual reports since 2009. I ask that this matter be clarified with the ANAO as soon as practicable. I also acknowledge that the Board will be implementing revised practices to avoid such situations occurring in the future.<sup>17</sup>

1.23 The Aboriginal Land Commissioner and the Executive Director of Township Leasing met their reporting requirements under the relevant sections of the *Aboriginal Land Rights (Northern Territory) Act 1976* (ALR Act) and the Minister subsequently presented these reports to the Parliament within 15 sitting days of receipt.

1.24 Although most of reports examined were presented within the required reporting timeframes, they were, nonetheless, all presented after 31 October 2014. The committee continues to encourage the presentation of all reports to the Parliament before this date and, if possible, before the Supplementary Budget Estimates hearings to assist in its examination of agencies at this time.

### **Senate debate**

1.25 In accordance with Standing Order 25(20)(d) the committee is required to take into account any relevant remarks about the reports made in debate in the Senate. The committee notes that none of the annual reports examined in this report have been the subject of comments or debate in the Senate.

### **Assessment of reports**

1.26 Under Standing Order 25(20)(a), the committee is required to examine the annual reports of departments and agencies and report to the Senate on whether they are 'apparently satisfactory'. In its examination of the annual reports referred, the committee found them to be of a satisfactory standard and adhere to relevant guidelines. The committee considers the reports examined to be 'apparently satisfactory'.

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17 Correspondence from Senator the Hon Nigel Scullion, Minister for Indigenous Affairs, to Mr Stephen Bradley, Chairman, Outback Stores Pty Ltd, dated 10 December 2014, tabled in the Senate on 9 February 2015.



## Chapter 2

### Review of selected annual reports

2.1 The committee has selected the annual reports of the following bodies for closer examination:

- Commonwealth Superannuation Corporation
- Indigenous Business Australia
- Central Land Council
- Anindilyakwa Land Council
- Outback Stores Pty Ltd
- Executive Director of Township Leasing

#### Commonwealth Superannuation Corporation

2.2 The Chairman's introduction by Mrs Patricia Cross notes her commencement in that role on 1 July 2014. She advises that there were strong investment outcomes by the Commonwealth Superannuation Corporation (CSC) during 2013-14, noting that default investment options (which include more than 90 per cent of members) posted returns over 11.0 per cent in 2013-14, well exceeding the investment objective of a real return of the CPI plus 3.5 per cent per annum.<sup>1</sup>

2.3 Other achievements for the year under review included:

- the implementation of a personal financial advisory service with experienced financial planners;
- the introduction of a PSSap membership for CSS and PSS members who want to make salary sacrifice contributions or rollover into PSSap;
- a full security review of CSC's information technology functions;
- ongoing discussions with government in respect of PSSap scheme administration; and
- the introduction of social media as an additional communication channel for PSSap members.<sup>2</sup>

2.4 An area noted as a priority for the year ahead, which both the Chairman and the Chief Executive officer, Mr Peter Carrigy-Ryan, referred to, was the

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1 *Commonwealth Superannuation Corporation Annual Report 2013-14*, p. 14.

2 *Commonwealth Superannuation Corporation Annual Report 2013-14*, p. 14.

implementation of the Government's policy to merge ComSuper into CSC in 2015.<sup>3</sup>

2.5 The report sets out the agency's outcome, objective and the four key performance indicators (KPIs) as listed in the *Finance and Deregulation Portfolio Budget Statements 2013-14*.<sup>4</sup> While the report does include comprehensive detail of investment performance, it does not include a summary on performance against each KPIs for 2013-14. The committee believes that a clear statement of the agency's effectiveness in achieving its listed KPIs would be a helpful inclusion.

2.6 The report complies with the *Commonwealth Authorities (Annual Reporting) Orders 2011* (Authorities Reporting Orders). It is well set out and makes extensive use of charts and tables, particularly for the presentation of information on the superannuation schemes it manages.

### **Indigenous Business Australia**

2.7 The reviews of Indigenous Business Australia's (IBA) Acting Chair, Mr Anthony Ashby, and Chief Executive Officer, Mr Chris Fry, provide a comprehensive overview of the year and noted overall strong results for IBA programs. Some of the highlighted areas include:

- achievements in the home ownership program with 556 new home loans and engagement with remote communities and emerging markets to facilitate home ownership opportunities;
- supporting employment of 221 Indigenous Australians through the Equity and Investment Program;
- the pilot of a new service delivery model in a regional office to evaluate ways to improve operations and customer interactions; and
- facilitating professional development opportunities, including through the CareerTrackers Indigenous internship program, the IBA scholarship program and the partnership with the Melbourne Business School which enabled 25 Indigenous business leaders to participate in the Murra Indigenous Business Master Class Program.<sup>5</sup>

2.8 It was noted in the overview section that IBA incurred a loss in 2013-14 which was attributed predominantly to non-cash asset revaluations, but recorded a surplus on an operating basis. The Acting Chair stated that:

The loss incurred by IBA in 2013-14 does not affect IBA's cash position nor distributions to its Indigenous investment partners. As a

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3 *Commonwealth Superannuation Corporation Annual Report 2013-14*, pp 15 & 17. The Governance of Australian Government Superannuation Schemes Legislation Amendment Bill 2015 was passed by both Houses of Parliament on 15 June 2015.

4 *Commonwealth Superannuation Corporation Annual Report 2013-14*, p. 32.

5 *Indigenous Business Australia Annual Report 2013-14*, pp 14-21.

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result, IBA does not require any additional funding from the Australian Government to cover the loss and remains well placed financially to meet its operating commitments.<sup>6</sup>

2.9 The IBA annual report presents a comprehensive review of the agency's performance for 2013-14. This section of the report clearly sets out how the IBA has performed in relation to its KPIs and deliverables for its programs as set out in the *Families, Housing, Community Services and Indigenous Affairs Portfolio Budget Statement for 2013-14*. However, the inclusion of the relevant program numbers in the annual report, as set out in the PBS, would have assisted the reader to more readily locate the relevant performance information in the report.<sup>7</sup> KPIs and deliverables are mainly quantitative and include a target, providing a useful basis for measuring and comparing performance over time.

2.10 In line with the preferred formatting approach as set out the PM&C Requirements for Annual Reports, the report uses a tabular presentation for most of the performance information, with supporting discussion. Where targets have not been met the report includes explanatory comments. For example, the IBA only achieved three of its five KPIs for the Equity and Investments Program. It was explained that the IBA did not meet its portfolio return for 2013-14 largely because of continued challenges faced by the agency's regional and remote tourism investments with visitor numbers to key markets at subdued levels.<sup>8</sup>

2.11 The report is prepared in accordance with the Authorities Reporting Orders. It includes a comprehensive compliance index to the mandatory reporting requirements under the Orders, in addition to those required by the *Aboriginal and Torres Strait Islander Act 2005* (ATSI Act). Although not a requirement, the report's compliance index also includes page references for compliance with the PM&C Requirements for Annual Reports of June 2014 and the Corporate Governance Principles and Recommendations, 2nd edition Australian Securities Exchanges (ASX) Corporate Governance Council. The IBA is commended for its commitment to better practice in its annual reporting with the inclusion of page references for compliance with these additional principles.<sup>9</sup>

### **Central Land Council**

2.12 The overview section of the Central Land Council's (CLC) annual report includes accounts by the Acting Chair, Mr Francis Kelly, and Director, Mr David Ross. The Acting Chair noted his replacement of Mr Maurie Ryan as Chair, stating that the CLC Executive had stood down Mr Ryan as a delegate

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6 *Indigenous Business Australia Annual Report 2013-14*, p. 15.

7 *Indigenous Business Australia Annual Report 2013-14*, pp 23-96.

8 *Indigenous Business Australia Annual Report 2013-14*, p. 25.

9 *Indigenous Business Australia Annual Report 2013-14*, pp 256-263.

and called a special council meeting to be held in September 2014.<sup>10</sup> The Director's report also noted Mr Ryan's suspension by the CLC Executive, noting that:

His suspension follows an independent investigation into his behaviour...Despite these distractions the Council has worked hard to efficiently achieve its statutory functions and protect the rights and interests of Aboriginal people living in the bush.<sup>11</sup>

2.13 These reports note some of the challenges the CLC has dealt with as well as highlighting successes, including the community development program and the ranger program. A highlighted project was the opening of a swimming pool by the traditional owners at Mutitjulu. The Acting Chair noted that:

They planned it and paid for it with their rent money from the Uluru–Kata Tjuta National Park and Aboriginals Benefit Account (ABA) money and they have saved up enough to run it until 2017. That means that, unlike many other communities, they do not have to beg the government to keep their pool open. That is self-determination.<sup>12</sup>

2.14 The report complies with the requirements under the Authorities Reporting Orders, including a compliance index. The compliance index also includes page reference numbers for parts of the report which comply with the requirements under the *Aboriginal Land Rights (Northern Territory) Act 1976* (ALR Act).

### **Anindilyakwa Land Council**

2.15 The Chairman's and Chief Executive Officer's messages at the beginning of the *Anindilyakwa Land Council (ALC) Annual Report 2013-14* both refer to the extensive restructuring processes undertaken during the reporting year to ensure that the ALC is operating efficiently and effectively. It was noted that the new structure implements reforms under the 15 Year Strategic Plan, the Deloitte review of the ALC which was completed in 2013, and subsequent legal advice on previous internal governance and financial arrangements, particularly in relation to the ALC's relationship with the Groote Eylandt and Bickerton Island Enterprises Aboriginal Corporation.<sup>13</sup>

2.16 The Chief Executive Officer, Mr Mark Hewitt, elaborated on the benefits of the new structure:

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10 The Central Land Council website notes that Mr Francis Kelly was elected Chairman at a special council meeting on 17 September 2014, replacing Mr Mauri Ryan. See <http://www.clc.org.au/articles/info/the-council/> (accessed 21 July 2015).

11 *Central Land Council Annual Report 2013-14*, p. 6.

12 *Central Land Council Annual Report 2013-14*, p. 4.

13 *Anindilyakwa Land Council Annual Report 2013-14*, pp 13 & 15.

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The new operating environment allows ALC to focus on supporting all Aboriginal Corporations operating across the Groote Archipelago, working collaboratively in an Anindilyakwa Chamber of Commerce to better coordinate key investments, programs and projects, matched to organisations strengths.<sup>14</sup>

2.17 The report presents information about the ALC's activities and performance against a specified outcome and a set of six outputs. It is an informative report which provides a good summary of the main activities of the ALC for 2013-14.

2.18 The report complies with the requirements set out in the Authorities Reporting Orders, including the inclusion of a compliance index. Also included was compliance index to the reporting requirements under the ALR Act.<sup>15</sup>

### **Outback Stores Pty Ltd**

2.19 Outback Stores Pty Ltd is a wholly owned Commonwealth company and prepares its annual report in accordance with requirements of the CAC Act, the *Commonwealth Companies (Annual Reporting) Orders 2011* (Companies Reporting Orders), and the *Corporations Act 2001*.

2.20 The 2013-14 annual report is an informative document and includes the required information under the Companies Reporting Orders, including the mandatory compliance index for ease of reference. The information presented is concise and provides a good overview of the activities, challenges and achievements of the company for the year under review.

2.21 The Chairman, Mr Stephen Bradley, and the Chief Executive Officer, Mr Steve Moore, in their reports, both noted the company's operating profit of \$123,219 for 2013-14. Also highlighted, was the addition of six new stores to the group during the year.<sup>16</sup>

2.22 The financial statements received an unqualified audit report, however, there was an 'emphasis of matter' noted.<sup>17</sup> This matter, referred to in Chapter 1 of this report, concerned the failure of Outback Stores to disclose a related party transaction with the Arnhem Land Progress Aboriginal Corporation for the provision of information technology services since 2009.<sup>18</sup> The Outback Stores report addressed this issue and noted that:

The Outback Stores Board is committed to ongoing improvement in its governance and has also implemented revised practices to manage related-party transaction disclosures to avoid any real or perceived conflicts of interest in future. This includes a separate

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14 *Anindilyakwa Land Council Annual Report 2013-14*, p. 15.

15 *Anindilyakwa Land Council Annual Report 2013-14*, pp 99-101.

16 *Outback Stores Pty Ltd Annual Report 2013-14*, pp 6-9.

17 *Outback Stores Pty Ltd Annual Report 2013-14*, p. 40.

18 *Outback Stores Pty Ltd Annual Report 2013-14*, p. 31.

standing agenda item for each Board meeting to declare and review all potential conflicts of interest, specific review and declaration of related party transactions for inclusion in the Annual Report, and an appropriate note will be included in future financial statements for all related party transactions for review by the ANAO.<sup>19</sup>

2.23 The committee welcomes these governance reforms and commends Outback Stores Pty Ltd for clearly addressing the issue in its annual report.

### **Executive Director of Township Leasing**

2.24 The Executive Director of Township Leasing is a statutory office holder and the annual report is prepared in accordance with section 20R(1) of the ALR Act. This sections specifies that:

The Executive Director must, as soon as practicable after the end of each financial year, prepare and give to the Minister, for presentation to the Parliament, a report on the operations of the Executive Director during that year.

2.25 The annual report for 2013-14 is an informative document and presents a good account of the operations for the year, including details of revenue and expenditure for 2013-14.<sup>20</sup> The report also provides useful background on the establishment of the office and how the township lease model operates.<sup>21</sup>

2.26 The report includes tables of leases held by the Executive Director of Township Leasing in 2013-14 for communities covered by township leases, housing leases, and Commonwealth Asset Leases. Also included was a table setting out the Alice Springs Living Areas (Town Camps) subleases held by the Executive Director in 2013-14.<sup>22</sup>

2.27 The review by the Executive Director of Township Leasing, Mr Greg Roche, provides a useful summary of the achievements and challenges of the office in 2013-14. He noted that during the year he provided support to Traditional Owners negotiating prospective township leases, including at Gunbalanya, Yirrkala and Pirlangimpi. This support involves providing information on township leasing, the operation of consultative forums, and how the work of the Office of Township Leasing can assist them to make an informed decision.<sup>23</sup> A noted highlight was the completion of the Wurrumiyanga five year Head Lease Review on 21 March 2014, and the registration of the variation with the Northern Territory Land Titles Office.<sup>24</sup>

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19 *Outback Stores Pty Ltd Annual Report 2013-14*, p. 31.

20 *Executive Director of Township Leasing Annual Report 2013-14*, p. 23.

21 *Executive Director of Township Leasing Annual Report 2013-14*, pp 4-7.

22 *Executive Director of Township Leasing Annual Report 2013-14*, pp 23-28.

23 *Executive Director of Township Leasing Annual Report 2013-14*, p. 2.

24 *Executive Director of Township Leasing Annual Report 2013-14*, pp 2 & 12-13.

2.28 The Executive Director reported that individual private home ownership on Aboriginal land in remote communities in the Northern Territory did not progress significantly in 2013-14. However, he welcomed news that since preparing the report, the Northern Territory Government had announced a home ownership policy to give Territory House tenants in remote communities on Aboriginal land the opportunity to buy their homes, noting that:

In recognition of the advantages of the township leasing model the new policy favours applications from residents in communities covered by a township lease.<sup>25</sup>

2.29 The Executive Director also took the opportunity in his review to note his concern that there had been no reform to the tenure underlying the Alice Springs Town Camps. He explained that he administers the Town Camps under a sub-lease from the relevant Housing Associations which commits him to facilitate private home ownership, but cannot grant a long-term interest to underpin home ownership for a variety of complex legal reasons. He further noted that:

Both the Northern Territory and the Commonwealth Governments have the capacity to legislate but to date have not done so. I would urge either government, with the informed agreement of the Housing Associations, to legislate so that the Town Camp residents of Alice Springs have the option of private home ownership available to them.<sup>26</sup>

2.30 This year's report notes the passing of Mr Walter Pirliyamanyirra Kerinaiaua, a Senior Elder of the Mantiyupwi, who is described as the 'Grandfather of Township Leasing'.<sup>27</sup> In addition to a tribute to Mr Kerinaiaua, a number of his quotes are featured throughout the report.<sup>28</sup>

## **Senator Cory Bernardi Chair**

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25 *Executive Director of Township Leasing Annual Report 2013-14*, p. 3.

26 *Executive Director of Township Leasing Annual Report 2013-14*, p. 3.

27 *Executive Director of Township Leasing Annual Report 2013-14*, pp 8-9.

28 The report notes that consent of Mr Kerinaiaua's family was obtained to show his photograph and name in the annual report, see p. 9.



# Appendix 1

## Dates relating to the presentation of reports between 1 November 2014 to 30 April 2015

| Reporting Body  | Submitted to Minister | Received by Minister | Tabled in the Senate or presented out of sitting (*) | Tabled in the House of Representatives |
|---|-----------------------|----------------------|--|--|
| <b>PRIME MINISTER AND CABINET PORTFOLIO</b>   |                       |                      |  |  |
| Indigenous Business Australia – Report for 2013-14  | 7/10/14               | 10/10/14             | 4/11/14*   | 24/11/14                               |
| Torres Strait Regional Authority – Report for 2013-14   | 14/10/14              | 21/10/14             | 4/11/14*   | 24/11/14                               |
| Anindilyakwa Land Council – Report for 2013-14  | 7/10/14               | 10/10/14             | 17/11/14   | 24/11/14                               |
| Executive Director of Township Leasing – Report for 2013-14   | 17/10/14              | 21/10/14             | 17/11/14   | 24/11/14                               |
| Aboriginal Land Commissioner – Report for 2013-14   | 21/10/14              | 21/10/14             | 24/11/14   | 24/11/14                               |
| Australian Public Service Commission – State of the Service Report 2013-14  | 7/11/14               | 7/11/14              | 1/12/14  | 1/12/14                                |
| Central Land Council – Report for 2013-14   | 7/10/14               | 10/10/14             | 1/12/14  | 27/11/14                               |
| Report of the Royal Commission into Trade Union Governance and Corruption - interim report – Volumes 1 and 2, 15 December 2014<br><i>Also referred to the Education and Employment Legislation Committee and the Legal and Constitutional Affairs Legislation Committee</i> | 15/12/14              | 15/12/14             | 19/12/14*  | 9/2/15                                 |
| Wangkanguru Land Claim No. 156 - Report of the former Aboriginal Land Commissioner, Peter R A Gray, to the Minister for Indigenous Affairs and to the Administrator of the Northern Territory – Report no. 72   | 3/10/14               | 3/10/14              | 9/2/15   | 9/2/15                                 |
| Wreck Bay Aboriginal Community Council – Report for 2013-14   | 22/12/14              | 9/1/15               | 9/2/15   | 9/2/15                                 |
| Statement relating to extension of time for presentation of a periodic report – Outback Stores Pty Ltd Report for 2013-14   |                       |                      | 9/2/15   | 9/2/15                                 |
| Indigenous Australians – Closing the Gap<br>Ministerial Statement by the Minister for Indigenous Affairs<br>Prime Minister's report 2015 – Closing the Gap  |                       |                      | 11/2/15  | 11/2/15                                |
| Official Witnesses before parliamentary committees and related matters – Government guidelines, dated February 2015   |                       |                      | 18/2/15*   | 23/2/15                                |
| Northern Land Council – Report for 2013-14  | 6/2/15                | 25/2/15              | 29/4/15*   | 12/5/15                                |
| Outback Stores Pty Ltd – Report for 2013-14   | 6/2/15                | 25/2/15              | 29/4/15*   | 12/5/15                                |
| Tiwi Land Council – Report for 2013-14  | 6/2/15                | 25/2/15              | 29/4/15*   | 12/5/15                                |

| Reporting Body  | Submitted to Minister | Received by Minister | Tabled in the Senate or presented out of sitting (*) | Tabled in the House of Representatives |
|---|-----------------------|----------------------|--|--|
| <b>FINANCE PORTFOLIO</b>  |                       |                      |  |  |
| Defence Housing Australia –<br>Report for 2013-14<br>Statement of Corporate 2014-15<br><i>Also referred to the Foreign Affairs, Defence and Trade Committee</i>                             | 3/9/14                | 23/9/14              | 17/11/14   | 30/10/14                               |
| Commonwealth Superannuation Corporation –<br>Report for 2013-14   | 10/10/14              | 21/10/14             | 24/11/14   | 24/11/14                               |
| <i>Members of Parliament (Staff) Act 1984</i> – Report for 2013-14  | 4/11/14               | 5/11/14              | 26/11/14   | 26/11/14                               |
| Department of Finance – Consolidated financial statements for the year ended 30 June 2014   | 20/11/14              | 20/11/14             | 12/12/14*  | 9/2/15                                 |
| Department of the Treasury - Tax Expenditures statement 2014  | 9/1/15                | 9/1/15               | 30/1/15*   | 9/2/15                                 |
| Department of Finance – Certificate of Compliance Report for 2013-14  | 17/12/14              | 17/12/14             | 28/1/15*   | 9/2/15                                 |
| Mid-year Economic and Fiscal Outlook – 2014-15  | 14/12/14              | 14/12/14             | 11/2/15  | 11/2/15                                |
| Department of Finance – Campaign Advertising by Australian Government departments and agencies – Report for 2013-14<br>Replacement pages [4]  | 19/12/14<br>27/2/15   | 19/12/14<br>27/2/15  | 19/2/15*<br>4/3/15                                   | 23/2/15<br>4/3/15                      |
| <i>Personal Property Securities Act 2009</i> – Review of the Act – Final report by Mr Bruce Whittaker<br><i>Also referred to the Legal and Constitutional Affairs Legislation Committee</i> | 2/3/15                | 2/3/15               | 18/3/15  | 18/3/15                                |