

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,¹ and the departments and agencies of the Prime Minister and Cabinet Portfolio and the Finance Portfolio.

1.2 This is the first report on annual reports for 2017 and provides an overview of selected annual reports presented to the Parliament between 1 May and 31 October 2016. Copies of this and other committee reports can be obtained from the Senate Table Office 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.

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

1.4 In the 45th Parliament, the Senate allocated departments and agencies to committees on 31 August 2016.² 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. They are a key document under the Commonwealth performance framework and are 'the primary document through which responsible Ministers report to the Parliament on the actual performance of entities.'³

Reports examined

1.6 During the period 1 May to 31 October 2016, 19 annual reports of bodies or statutory office holders were presented to the Parliament and referred to the committee. The reports examined are categorised as follows:

Non-corporate Commonwealth entities

- Department of the Senate – Report for 2015-16
- Parliamentary Budget Office – Report for 2015-16
- Department of Parliamentary Services – Report for 2015-16
- Australian National Audit Office – Report for 2015-16
- Department of the Prime Minister and Cabinet – Report 2015-16, including the reports of the Aboriginals Benefit Account, Aboriginal and Torres Strait Islander Land Account and the Office of the Registrar of Indigenous Corporations
- Inspector-General of Intelligence and Security – Report for 2015-16
- Commonwealth Ombudsman – Report for 2015-16
- Australian Public Service Commissioner – Report for 2015-16, including the report of the Merit Protection Commissioner
- Office of the Official Secretary to the Governor-General – Report for 2015-16
- Department of Finance – Report for 2015-16

2 *Journals of the Senate, No. 2, 31 August 2016, pp 75-76.*

3 Department of Finance, Resource Management Guide No. 130, *Overview of the enhanced Commonwealth performance framework*, July 2016, p. 7.

-
- Australian Electoral Commission – Report for 2015-16
 - Future Fund Board of Guardians⁴ and Future Fund Management Agency – Report for 2015-16

Corporate Commonwealth entities

- Indigenous Business Australia – Report for 2015-16
- Indigenous Land Corporation – Report for 2015-16
- Central Land Council – Report for 2015-16

Commonwealth companies

- National Australia Day Council Limited – Report for 2015-16
- ASC Pty Ltd – Report for 2015-16

Statutory office holders/offices

- Parliamentary Service Commissioner – Report for 2015-16, including report of the Parliamentary Service Merit Protection Commissioner
- Remuneration Tribunal – Report for 2015-16

Reports not examined

1.7 The committee is not obliged to examine reports on the operation of Acts, policy papers, budget documents or corporate plans. Where a report is referred to two standing committees, the committee has deferred examination of those reports to the committee which has primary oversight of the portfolio where that agency sits. Accordingly, the following documents were also referred to the committee but not examined in this report:

- *Independent National Security Legislation Monitor Act 2010* – Control Order Safeguards: Part 2 – Final report by the Hon Roger Gyles AO QC, April 2016
- Indigenous Business Australia – Corporate Plan 2016-17
- *Stronger Futures in the Northern Territory Act 2012* – Independent Review under section 117 of the Act – Report by KPMG, July 2016
- *Independent National Security Legislation Monitor Act 2010* – Certain matters regarding the impact of amendments to the Counter-Terrorism Legislation Amendment (Foreign Fighters) Bill 2014 – Report by the Hon Roger Gyles AO QC, May 2016
- *Public Interest Disclosure Act 2013* – Review on the operation of the Act – Report by Mr Philip Moss AM, 15 July 2016
- Final Budget Outcome 2015-16

4 It is noted that while the Future Fund Management Agency is a non-corporate Commonwealth entity, section 10(2) of the *Public Governance, Performance and Accountability Act 2013* states that '...the High Court and the Future Fund Board of Guardians are not Commonwealth entities.'

- Clean Energy Finance Corporation – Report for 2015-16 (*Also referred to the Environment and Communications Legislation Committee*)
- Moorebank Intermodal Company Limited – Report for 2015-16 (*Also referred to the Rural and Regional Affairs and Transport Committee*)

Method of assessment and current annual reporting requirements

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

Annual reporting framework

Public Governance, Performance and Accountability Act 2013

1.9 The *Public Governance, Performance and Accountability Act 2013* (PGPA Act) provides the legislative basis for annual reporting of non-corporate Commonwealth entities, corporate Commonwealth entities and Commonwealth companies. A description of these bodies is set out on the Resource Management section of the Department of Finance (Finance) website:

- Non-corporate Commonwealth entity – an entity that is legally and financially part of the Commonwealth, and includes departments of state, parliamentary departments, statutory authorities, and listed entities (a body, person, group of persons or organisation that is prescribed by rules made under the PGPA Act).
- Corporate Commonwealth entity – a body corporate, that is, it has a separate legal personality from the Commonwealth, and includes statutory authorities. It can act in its own right exercising certain legal rights such as entering into contracts and owning property.
- Commonwealth company – a company established by the Commonwealth under the *Corporations Act 2001* that is wholly controlled by the Commonwealth.⁵

1.10 Commonwealth entities are required to prepare an annual report under section 46 of the PGPA Act; and Commonwealth companies are required to prepare an annual report under section 97 (which also refers to requirements under the *Corporations Act 2001*).

1.11 The accompanying rule, Public Governance, Performance and Accountability Rule 2014 (PGPA Rule), sets out the detailed mandatory annual reporting requirements for Commonwealth entities and Commonwealth companies.

Statutory office holders and statutory bodies

1.12 Statutory office holders are engaged or employed under an Act, which may prescribe annual reporting requirements pursuant to the office. It should also be noted

5 See <https://www.finance.gov.au/resource-management/governance/overview/> (accessed 9 January 2017).

that there may be reporting requirements in the enabling legislation for statutory bodies (which may also be a Commonwealth entity).⁶

Non-statutory bodies

1.13 Non-statutory bodies (NSBs) are established by a minister and are not pursuant to a statute. Guidelines for the preparation of annual reports of non-statutory bodies 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.

Summary of reporting requirements

1.14 Below is a summary of the legislative authority and requirements under which annual reports are prepared for different types of bodies:

Non-corporate Commonwealth entities

- PGPA Act, section 46 and the PGPA Rule, Division 3A(A);
- for portfolio departments and executive agencies, the *Public Service Act 1999*, sections 63(2) and 70(2);
- for parliamentary departments, the *Parliamentary Service Act 1999*, section 65;
- for statutory bodies, relevant enabling legislation; and
- other relevant legislative requirements.

Corporate Commonwealth entities

- PGPA Act, section 46 and the PGPA Rule, Division 3A(B);
- for statutory bodies, relevant enabling legislation; and
- other relevant legislative requirements.

Commonwealth companies

- PGPA Act, section 97, which also refers to requirements under the *Corporations Act 2001* and the PGPA Rule, Part 3-3; and
- any other relevant legislative requirements.

Non-statutory bodies

- Annual reporting requirements are contained in the government response to the Senate Standing Committee on Finance and Public Administration Report on NSBs, *Senate Hansard*, 8 December 1987, pp 2632–45.
- The terms of establishment of the NSB may also require it to report in certain ways or to report on certain topics.

6 For example, some Acts that establish statutory bodies have separate reporting requirements under those Acts. For example, section 17 of the *Commonwealth Electoral Act 1918* prescribes specific reporting requirements for the Australian Electoral Commission.

Statutory office holders

- Any requirements in the enabling legislation.

Timeliness

1.15 Standing Order 25(20)(c) requires the committee to investigate and report to the Senate on any lateness in the presentation of annual reports. In assessing the timeliness of the presentation of annual reports, the committee assesses the presentation time against the requirements for different categories of bodies.

Commonwealth entities

1.16 Section 46 of the PGPA Act requires Commonwealth entities (corporate and non-corporate) to prepare an annual report and provide it to the responsible minister by the 15th day of the fourth month after the end of the reporting period for the entity. This section of the Act does not, however, provide for a timeframe for the Minister to present the report to the Parliament.

1.17 The former guidelines on annual reporting issued by the Department of the Prime Minister and Cabinet (*PM&C Requirements for Annual Reports for Departments, Executive Agencies and Other Non-corporate Commonwealth Entities* (PM&C Requirements for Annual Reports), applying to non-corporate Commonwealth entities, included a timeframe for the responsible Minister to table annual reports before 31 October in the year it was given, and as best practice, before the Senate Supplementary Budget Estimates hearings if they are held before this date.⁷

PGPA Rule

1.18 The former PM&C Requirements for Annual Reports were replaced by the PGPA Rule which is silent on the date a minister is required to present an annual report to Parliament.

1.19 The PGPA Rule states that annual reports for corporate Commonwealth entities, non-corporate Commonwealth entities and Commonwealth companies must comply with the Guidelines for the Presentation of Documents to the Parliament⁸ which is prepared by PM&C.

1.20 The guidelines advise that for all entities:

As per past practice, it is expected that the responsible Minister will present the report to each House of Parliament on or before 31 October. If Senate Supplementary Budget Estimates hearings are scheduled to occur prior to 31 October, it is best practice for annual reports to be tabled prior to those

7 See Department of the Prime Minister and Cabinet, *Requirements for Annual Reports for Departments, Executive Agencies and Other Non-Corporate Commonwealth Entities*, 25 June 2015, p. 2.

8 See PGPA Rule, sections 17AB, 17BC and 28C.

hearings. This ensures that annual reports are available for scrutiny by the relevant Senate standing committee.⁹

1.21 The guidelines also refer the reader to the Department of Finance (Finance) website for guidance material detailing the minimum mandatory content requirements for Commonwealth entities' and companies' annual reports under the new Commonwealth performance framework and in accordance with the PGPA Act and PGPA Rule:¹⁰ The material available from this website includes the following:

- *Resource Management Guide No. 135 – Annual reports for non-corporate Commonwealth entities*; and
- *Resource Management Guide No. 136 – Annual reports for corporate Commonwealth entities*.

1.22 These resource management guides include advice in relation to the timetable for tabling annual reports. For non-corporate Commonwealth entities and corporate Commonwealth entities, the guides advise that:

It has been practice for the responsible Minister to present the report to each house of the Parliament on or before 31 October. If Senate Supplementary Budget Estimates hearings are scheduled to occur before 31 October, Ministers have sought to table annual reports prior to those hearings.¹¹

Commonwealth companies

1.23 Under section 97(2) of the PGPA Act, Commonwealth companies are required to prepare an annual report and provide it to the responsible Minister:

(a) if the company is required by the *Corporations Act 2001* to hold an annual general meeting—the earlier of the following:

- (i) 21 days before the next annual general meeting after the end of the reporting period for the company;
 - (ii) 4 months after the end of the reporting period for the company;
- and

(b) in any other case—4 months after the end of the reporting period for the company;

or the end of such further period granted under subsection 34C(5) of the *Acts Interpretation Act 1901*.

1.24 In relation to the tabling of the annual report in the Parliament, section 97(5) of the PGPA Act states that:

9 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)*, August 2016, pp 4-5.

10 See <http://www.finance.gov.au/resource-management/performance/> (accessed 22 November 2016).

11 Department of Finance, *Resource Management Guide No. 135 – Annual reports for non-corporate Commonwealth entities*, July 2016, p. 8; and *Resource Management Guide No. 136 – Annual reports for corporate Commonwealth entities*, p. 7.

(5) If the Commonwealth company is a wholly-owned Commonwealth company, or is not required to hold an annual general meeting, the responsible Minister must table the documents in each House of the Parliament as soon as practicable after receiving them. In all other cases, the responsible Minister must table the documents in each House of the Parliament as soon as practicable after the annual general meeting of the company.

1.25 The advice contained in *Resource Management Guide No. 137 – Annual reports for Commonwealth companies*, in regard to the timeframe for the presentation of reports of Commonwealth companies, closely aligns with the requirements under section 97(5) of the PGPA Act set out above.¹²

1.26 However, as noted above, section 28C of the PGPA Rule requires reports of Commonwealth companies to comply with the PM&C Guidelines for the Presentation of Documents to the Parliament, which advise that '[a]s per past practice, it is expected that the responsible Minister will present the report to each House of Parliament on or before 31 October.'¹³ The committee notes the inconsistent instruction on the presentation date for the presentation of annual reports of Commonwealth companies between the PGPA Act and Finance guidance material.

Committee view on the current arrangements for the timeframe for annual reporting

1.27 The committee was concerned with the lack of clarity that existed under the previous arrangements in regard to the timeframe for the presentation of annual reports to the Parliament, in particular, the absence of a legislative basis for the date that annual reports are required to be presented to the Parliament.

1.28 The committee notes that while the PGPA Act prescribes a date for the provision of an annual report of a Commonwealth entity or Commonwealth company to the responsible Minister, it is disappointed that the Act does not provide a clear and definitive timeframe for the presentation of annual reports to the Parliament. As noted above, in the case of Commonwealth entities, the PGPA Act and PGPA Rule are silent on the presentation date to Parliament with direction provided in non-legislatively binding 'guidance' documents. While for Commonwealth companies, section 97(5) of the PGPA Act requires the Minister to present the report 'as soon as practicable' after receiving it, or after the annual general meeting.

1.29 In the committee's view, the consolidation of all annual reporting requirements under the PGPA Act as part of an 'enhanced performance framework' was an opportunity to resolve ambiguous and non-legislated timeframes that existed under the previous reporting regime. However, the new guidance lacks clarity and appears to have further weakened the 31 October reporting requirement 'policy' that

12 Department of Finance, *Resource Management Guide No. 137 – Annual reports for Commonwealth companies*, July 2016, p. 5.

13 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)*, August 2016, pp 4-5.

previously existed in the PM&C Requirements for Annual Reports for non-corporate Commonwealth entities. Further, in the case of corporate Commonwealth entities, the earlier confusion which resulted in the need to refer to the *Acts Interpretation Act 1901* has also not been addressed in the new framework.

1.30 Notwithstanding the above issues, the committee acknowledges that there appears to be some exploration by Finance to bring forward the timeline for delivery and tabling of annual reports which would facilitate their availability before the Supplementary Budget Estimates hearings.¹⁴ It is further noted that the Australian National Audit Office agrees with this approach and has committed to work with entities to promote the earlier completion of financial statement audits.¹⁵ Pending resolution of this approach in the future, the committee will delay proposing any recommendation concerning clarification of a timeline for the presentation of annual reports to the Parliament.

Timeliness of reports examined

1.31 The committee considers the timely presentation of annual reports to be an important element in accountability to the Parliament and continues to encourage bodies and statutory officers to endeavour to meet relevant timeframes. Further, the committee encourages agencies and Ministers to ensure that annual reports are presented in sufficient time for examination by Senators before the Supplementary Budget Estimates hearings.

1.32 Appendix 1 lists the annual reports tabled (or presented) in Parliament between 1 May and 31 October 2016, and referred to the committee, with relevant tabling dates. This table includes the date the reports were tabled in the Senate and House of Representatives, and for the purposes of this discussion on timeliness, the earlier date of tabling in either chamber is taken to be the date of presentation to the Parliament. Where applicable, the table also provides the dates the reports were submitted to, and received by, the Prime Minister or the relevant Minister.

1.33 As noted earlier, the presentation of annual reports to the Parliament has two elements with regard to timeliness: the furnishing of the report to the Minister and the presentation of the report to the Parliament.

1.34 In relation to the first element, all reports were submitted to the relevant Minister within required timeframes, except for the Future Fund Management Agency which missed the 15 October deadline, submitting its report on 19 October 2016. As all reports examined in this report were presented to the Parliament by 31 October 2016, they are considered to be presented in a timely manner.

14 See Joint Committee of Public Accounts and Audit, *Report 457 – Development of the Commonwealth Performance Framework – Second Report*, May 2016, pp 8-9.

15 Australian National Audit Office, *Report No. 33 2016-17, Audits of Financial Statements of Australian Government Entities for the Period Ended 30 June 2016*, pp 53-54.

1.35 The committee commends those agencies whose reports were presented in the Parliament in sufficient time for examination by Senators before the Supplementary Budget Estimates 2016-17 hearings which commenced on 17 October 2016:

- Australian National Audit Office (tabled 14 September 2016)
- Department of the Senate (tabled 11 October 2016)
- Parliamentary Budget Office (tabled 12 October 2016)
- Department of Parliamentary Services (tabled 12 October 2016)
- Department of the Prime Minister and Cabinet (tabled 12 October 2016)
- Inspector General of Intelligence and Security (tabled 12 October 2016)
- Commonwealth Ombudsman (tabled 13 October 2016)
- Parliamentary Service Commissioner (presented 14 October 2016)
- Australian Public Service Commissioner (presented 14 October 2016)
- Remuneration Tribunal (presented 14 October 2016)

1.36 The issue of the timing of the tabling of Finance's annual report was the subject of questioning at the Supplementary Budget Estimates hearing during examination of Finance on 18 October 2016. Finance's report was not available before the hearing and was subsequently presented out of session in the Senate on 21 October 2016, having been provided to the Minister on 12 October 2016. Given that Finance is the lead agency with regard to annual reporting requirements and has responsibility for the preparation of guidance material, the failure to meet best practice was noted by the committee:

Senator GALLAGHER: You have been leading the way on the new PGPA Act. According to some of the requirements for annual reports, it basically says, 'Table your reports by 15 October' or provide them to the minister—

Senator Cormann: The 31 October is the time for—

Senator GALLAGHER: Yes, I know. And then it goes on to say, 'However if budget supplementary estimates are before that date it is best practice to table them or to provide them prior to those hearings.' The PM&C annual report is up and available. Why isn't Finance's?

Senator Cormann: The deadline is 31 October. I received it just before the deadline for it to be put to me, and it will be processed as soon as possible.

Senator GALLAGHER: In terms of best practice Finance have not been up to meet the standard as set out in the annual report requirement.

Senator Cormann: I completely disagree with that characterisation. As you say—

Senator GALLAGHER: It is best practice for annual reports to be tabled prior to those hearings. That is what it says in the advice.

Senator Cormann: And the deadline is 15 October and 31 October. I received it not long before 15 October, and it will be tabled well and truly

before 31 October. If you look at the last three or four years, or the last three years for that matter, I think you will find that we have tabled it earlier than that. This time round, the information came close to the 15 October deadline, and it will be tabled consistent with the legal requirements.

Senator GALLAGHER: Just to finish, I do not want to make a big point about it, but it does mean—when you are looking to ask questions on priorities and challenges—that we have to go back to, essentially, June last year to actually see what they are for the department, and things like campaign advertising and government advertising are all a year behind where we are now.

Senator Cormann: If I may, I made that precise point to Senator Wong every year.

Senator GALLAGHER: But I am asking you, Minister.

Senator Cormann: Sure, and what I am saying is that this government complies with the requirements under the legislation.

Senator GALLAGHER: But not best practice, as a lead agency—a central agency.

Senator Cormann: We do the best we can always.¹⁶

1.37 This exchange clearly illustrates the difficulty with relying on guidance material rather than a legislated requirement for the tabling of the annual report. The only legal requirement is to provide the annual report to the Minister by 15 October, which Finance met. While the report was presented to Parliament before 31 October, the suggested date in guidance material, best practice for annual reports to be tabled prior to the hearings was not met on this occasion.

1.38 In examining the timeliness of the presentation of annual reports, the committee also noted the extended time between some reports being submitted to the Minister and presented to the Parliament. For the reports examined, some of the longer time periods between these dates included the reports for Indigenous Business Australia (27 days),¹⁷ Central Land Council (28 days) and ASC Pty Ltd (31 days). It is noted that an extended delay between these two dates may not necessarily result in a contravention of the presentation requirements. Acknowledging that there may be reasons for a short interval, the committee would encourage annual reports to be presented to the Parliament at the earliest opportunity.

Approach to assessing the 2015-16 annual reports

1.39 The 2015-16 annual reports are the first reports of Commonwealth entities to include the annual performance statements required under section 39 of the PGPA Act. It is noted that Commonwealth companies are not required to prepare annual performance statements; however, section 27A(2)(b) of the PGPA Rule requires

16 *Committee Hansard*, 18 October 2016, p. 80.

17 Calendar days.

Commonwealth companies to report in their annual reports on the actual performance results achieved against the performance criteria published in their corporate plans.¹⁸

1.40 An entity's annual performance statement reports on the entity fulfilling its purpose(s). It sets out the actual results against the planned performance criteria detailed in both the corporate plans and in the portfolio estimates statements that were prepared for the reporting period. Section 16F of the PGPA Rule sets out the matters to be included in a Commonwealth entity's annual performance statement.

1.41 Therefore, in assessing the 2015-16 annual reports, where possible the committee referred to Commonwealth entities' and companies' corporate plans which set out performance criteria in relation to the body achieving its purpose. This is in addition to referring to the performance measures in the relevant portfolio budget statement as it had done in previous years.

1.42 Under the PGPA Rule, corporate plans are not required to be presented to the Parliament although agencies may choose to do so. For example the *Indigenous Business Australia Corporate Plan 2016-17* was tabled in the Parliament on 31 August 2016 and will be reported against in next year's annual report. However, under section 16E of the PGPA Rule, corporate plans are required to be published on agencies' websites by the last day of the second month of the reporting period of which the plan is prepared. Therefore, for the purpose of examining the annual reports, the corporate plans were accessed via departments' or agencies' websites.

1.43 It was noted that at the time this report was prepared¹⁹ corporate plans for the year commencing 2015-16 could not be located on some agencies' websites with only the most recent corporate plan commencing 2016-17 available. These included the 2015-16 corporate plans for the Australian Electoral Commission, the Commonwealth Ombudsman and the Indigenous Land Corporation. The annual reports for these agencies referred to the 2015-16 corporate plan in their annual performance statement which could not then be accessed on the agency's website for reference.

1.44 While section 16E of the PGPA Rule does not explicitly prescribe that corporate plans be retained on agency websites and not be replaced by updated versions, most agencies appeared to follow this approach; in a similar way that annual reports and portfolio budget/additional estimates statements are maintained on websites from earlier years. The interrelation of these documents form the basis of the Commonwealth performance framework:

The corporate plan, Portfolio Budget Statements and the annual performance statements are the core elements of the enhanced Commonwealth performance framework. The corporate plan is developed at the beginning of the reporting cycle and sets out an entity's strategies for achieving its purposes and how success will be measured. The Portfolio Budget Statements sets out the funding for the entity and how the impact of

18 Department of Finance, Resource Management Guide No. 134 – *Annual performance statements for Commonwealth entities*, July 2016, p. 4.

19 Over the period from December 2016 to February 2017.

that expenditure will be measured. Annual performance statements, which are included as part of the entity's annual report, are produced at the end of the reporting cycle and provide an assessment of the extent to which an entity has succeeded in achieving its purposes...

Many of the minimum content requirements for entities' annual performance statements are linked to content requirements for their corporate plans...This alignment recognises the close relationship between the two elements of the framework. The annual performance statements (which are to be included in each entity's annual report) complete the annual reporting cycle.²⁰

1.45 Therefore, the availability of corporate plans is crucial when examining annual performance statements and annual reports. The committee hopes to see agencies adopt a similar approach to the archiving of corporate plans on their websites as with other important corporate documents such as annual reports and portfolio budget statements. The committee suggests that Finance could address this issue through its guidance and advice to agencies as part of its whole-of-government administration of the Commonwealth Resource Management Framework.

Senate debate

1.46 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.

Non-reporting bodies

1.47 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.

1.48 The committee makes no recommendation for any bodies not presenting an annual report to do so.

Assessment of reports

1.49 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 largely adhere to relevant requirements. In assessing the first group of annual reports under the new performance framework, the committee is generally encouraged by agencies' transition to the new structure and the level and quality of information available. The committee considers the reports examined to be 'apparently satisfactory'.

20 Department of Finance, Resource Management Guide No. 134 – *Annual performance statements for Commonwealth entities*, July 2016, pp 4-5.

