

The Senate

Finance and Public Administration
Legislation Committee

Annual reports (No. 2 of 2020)

October 2020

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Acronyms and abbreviations

ANAO	Australian National Audit Office
ATSI Act	<i>Aboriginal and Torres Strait Islander Act 2005</i>
committee	Senate Finance and Public Administration Legislation Committee
Development Plan	<i>Torres Strait Development Plan 2014–2018</i>
DPM&C	Department of the Prime Minister and Cabinet
Finance	Department of Finance
ILUA	Indigenous Land Use Agreements
KPIs	Key performance indicators
Land Grant Act	<i>Aboriginal Land Grant (Jervis Bay Territory) Act 1986</i>
NIAA	National Indigenous Australians Agency
NSBs	Non-statutory bodies
ORIC	Office of the Registrar of Indigenous Corporations
PBCs	Prescribed Bodies Corporate
PBS	Portfolio Budget Statements
PM&C portfolio	Prime Minister and Cabinet portfolio
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PGPA Rule	Public Governance, Performance and Accountability Rule 2014
Review	Independent review into the operations of the <i>Public Governance, Performance and Accountability Act 2013</i> and Rule
RMG	Resource Management Guide
Tabling Guidelines	<i>Guidelines for the Presentation of Documents to the Parliament</i>
TAC	Total Allowable Catch

TSRA	Torres Strait Regional Authority
WBACC	Wreck Bay Aboriginal Community Council

Chapter 1

Overview

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 report on annual reports (No. 2 of 2020) provides an overview of the committee's examination of annual reports presented to the Parliament between 1 November 2019 and 30 April 2020.²

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;

1 As a matter of comity between the Houses of Parliament, neither House enquires into the operations of the other House. For this reason, neither the annual report of, or the proposed expenditure for, the Department of the House of Representatives is referred to a Senate committee for review.

2 Standing Order 25(20)(f) requires the committee to report on annual reports tabled between 1 May and 31 October by the tenth sitting day of the following year, and report on annual reports tabled between 1 November and 30 April 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.³

Allocated portfolios

1.4 The Senate allocated departments and agencies to committees on 12 February 2020.⁴ In accordance with that resolution, the committee has responsibility for the oversight of the following:

- Parliament;
- Prime Minister and Cabinet Portfolio; and
- Finance Portfolio.

Performance reporting framework

1.5 The *Public Governance, Performance and Accountability Act 2013* (PGPA Act) established a performance reporting framework for all Commonwealth entities and companies. Section 38 of the PGPA Act requires all Commonwealth entities to measure and assess their performance.

1.6 Section 39 of the PGPA Act requires all Commonwealth entities to prepare an annual performance statement to be included in their annual report. Entities use annual performance statements to report on the results achieved against the targets, goals and measures established at the beginning of a reporting year in the relevant corporate plan and Portfolio Budget Statements (PBS).

1.7 These documents are an essential part of the accountability system that provides the Minister, the Parliament and the public with detailed information about the financial and non-financial performance of entities through the cycle of reporting periods, and facilitate the examination of how the use of public resources achieve the intended results for a Commonwealth body.⁵

1.8 The Public Governance, Performance and Accountability Rule 2014 (PGPA Rule) supports the implementation of the PGPA Act and outlines the requirements of annual reports for Commonwealth entities.

3 The Senate, *Standing Orders and other orders of the Senate*, January 2020, SO 25(20).

4 *Journals of the Senate*, No. 41, 12 February 2020, p. 1239.

5 Department of Finance, Resource Management Guide No. 135, *Annual Report for Non-Corporate Commonwealth Entities*, May 2019, p. 7, https://www.finance.gov.au/sites/default/files/2019-12/RMG%20135_Annual_reports_for_non-corporates.pdf (accessed 24 June 2020).

Requirements for annual reports

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

1.10 Different types of Commonwealth bodies have separate provisions for annual reporting which affect content and preparation requirements. Legislative provisions for Commonwealth bodies include:

- non-corporate Commonwealth entity⁶—section 46 of the PGPA Act and Subdivision A of Division 3A of Part 2–3 of the PGPA Rule;
- corporate Commonwealth entity⁷—section 46 of the PGPA Act and Subdivision B of Division 3A of Part 2–3 of the PGPA Rule;
- Commonwealth company⁸—section 97 of the PGPA Act, which refers to additional requirements under the *Corporations Act 2001* and Part 3–3 of the PGPA Rule;
- statutory office holders and statutory bodies—statutory office holders are engaged or employed under an Act, which may prescribe annual reporting requirements pursuant to the office. It should be noted that there may be reporting requirements in the enabling legislation for statutory bodies (which may also be a Commonwealth entity);⁹ and
- non-statutory bodies (NSBs)—NSBs are established by a Minister and not pursuant to a statute. Guidelines for the preparation of annual reports for NSBs are contained in the government response to the Senate Standing Committee on Finance and Public Administration report on non-statutory bodies.¹⁰

1.11 In addition to legislative requirements, the Department of Finance (Finance) provides guidance material for Commonwealth entities and companies which sets out

6 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 *Public Governance, Performance and Accountability Act 2013*).

7 A body corporate that 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.

8 A company established by the Commonwealth under the *Corporations Act 2001* that is wholly controlled by the Commonwealth.

9 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.

10 *Senate Hansard*, 8 December 1987, pp. 2632–2645.

further detail on the content requirements for annual reports under the Commonwealth performance framework in accordance with the PGPA Act and PGPA Rule.¹¹ The material available from this website includes the following guides which apply to the reports being examined:

- *Resource Management Guide No. 135—Annual reports for non-corporate Commonwealth entities;*
- *Resource Management Guide No. 136—Annual reports for corporate Commonwealth entities; and*
- *Resource Management Guide No. 137—Annual reports for Commonwealth companies.*

1.12 The committee notes that Finance published updated versions of these guidance documents in May 2019 intended for 2018–19 annual reports, which include implementation steps resulting from the *Independent Review into the PGPA Act* (the Review).¹²

1.13 Following the Review, two amendments to the PGPA Rule were registered on 4 April 2019. These amendments—the Public Governance, Performance and Accountability Amendment (Annual Reporting) Rules 2019 and the Public Governance, Performance and Accountability Amendment (Reporting Executive Remuneration) Rules 2019—affect reporting obligations for entities' and Commonwealth companies' annual reports from the 2018–19 period.

1.14 The amendments expand the annual reporting requirements for Commonwealth entities and companies in the following ways:

Public Governance, Performance and Accountability Amendment (Annual Reporting) Rules 2019

- providing for annual reports to be published using Finance's digital reporting tool as soon as practicable after presentation to the Parliament;
- creating a requirement to report on statistics of all employees of an entity or company (in addition to statistics on Australian Public Service employees of the entity or company); and
- inclusion of compliance index templates for corporate Commonwealth entities and companies, in a structure similar to the existing compliance index for non-corporate Commonwealth entities.¹³

11 Department of Finance, *List of Resource Management Guides*, <https://www.finance.gov.au/publications/resource-management-guides> (accessed 9 July 2020).

12 The report for this Review, the *Independent Review into the Operation of the Public Governance, Performance and Accountability Act 2013 and Rule* was tabled in both Houses of Parliament on 19 September 2018.

13 Public Governance, Performance and Accountability Amendment (Annual Reporting) Rules 2019, Explanatory Memorandum, pp. 1–4.

Public Governance, Performance and Accountability Amendment (Reporting Executive Remuneration) Rules 2019

- providing for further requirements for Commonwealth entities and companies to report on the details of the remuneration of key management personnel and other senior executives in their annual report;
- establishing further requirements for Commonwealth entities and companies to report on their policies and practices for the remuneration of key management personnel; and
- requiring Commonwealth entities and companies to publish their annual reports on their website as soon as practicable after tabling in either House of Parliament, if required to do so.¹⁴

1.15 The committee assessed Commonwealth entities' and companies' annual reports for compliance with these new requirements. The committee's assessment is set out in this report.

Reports examined

1.16 In accordance with Standing Order 25(20)(f), this report examines annual reports tabled in the period 1 November 2019 to 30 April 2020. In this period, nine annual reports of Commonwealth entities, companies and statutory office holders were tabled in the Senate and referred to the committee. The annual reports examined in this report are categorised as follows:

Non-corporate Commonwealth entities

- Workplace Gender Equality Agency—Report for 2018–19

Corporate Commonwealth Entities

- Anindilyakwa Land Council—Report for 2018–19
- Australian Institute of Aboriginal and Torres Strait Islander Studies—Report for 2018–19
- Central Land Council—Report for 2018–19
- Tiwi Land Council—Report for 2018–19
- Torres Strait Regional Authority—Report for 2018–19
- Wreck Bay Aboriginal Community Council—Report for 2018–19

Commonwealth Companies

- Outback Stores Pty Ltd—Report for 2018–19

14 Public Governance, Performance and Accountability Amendment (Reporting Executive Remuneration) Rules 2019, Explanatory Memorandum, pp. 1–11.

Statutory Office Holders¹⁵

- Aboriginal Land Commissioner—Report for 2018–19

Reports not examined

1.17 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 the agency sits. Accordingly, the following documents were also referred to the committee but not examined for the purposes of this report:

Reports referred in the period 1 November 2019 and 30 April 2020

- Australian Public Service Commission—State of the Service Report 2018–19
- Australian Public Service Commissioner—Report for 2018–19, including the report of the Merit Protection Commissioner—Correction
- Department of Finance—Campaign Advertising by Australian Government Departments and Agencies—Report for 2018–19
- Department of Finance—Consolidated financial statements for the year ended 30 June 2019—December 2019
- Department of Finance—Report on Advances Provided under the Annual Appropriations Acts for the year ended 30 June 2019
- Indigenous Australians—Closing the Gap—Ministerial statement by the Prime Minister (Mr Morrison), dated 12 February 2020
- Indigenous Australians—Closing the Gap—Prime Minister's Report—Closing the Gap 2020
- Parliamentary Budget Office—2019–20 Mid-Year Economic and Fiscal Outlook Snapshot
- Parliamentary Budget Office—National Fiscal Outlook: As at 2019–20 Budgets

Timeliness

1.18 Section 46 of the PGPA Act requires annual reports to be provided to the responsible Minister by the 15th day of the fourth month after the end of the reporting period for the entity. The PGPA Act does not provide a timeframe for presentation to the Parliament; however the Minister is obliged to present it within 15 sitting days upon receiving the report.¹⁶

15 While statutory office holders are not required to prepare annual reports for presentation to Parliament under the *Public Governance, Performance and Accountability Act 2013* and *Public Governance, Performance and Accountability Rule 2014*, such reports that have been tabled and referred to the committee have been examined for the purposes of this report.

16 *Acts Interpretation Act 1901*, subsection 34C(3).

1.19 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*.

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

(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.

1.21 The PGPA Rule states that annual reports for corporate Commonwealth entities, non-corporate Commonwealth entities and Commonwealth companies must comply with the guidelines for presenting documents to the Parliament.¹⁷ The Department of the Prime Minister and Cabinet published new *Guidelines for the Presentation of Documents to the Parliament* (Tabling Guidelines) in June 2019.

1.22 The Tabling Guidelines direct Commonwealth entities and companies to consult the Finance Resource Management Guides (RMG) for information about the preparation, content and reporting timeframes for annual reports.¹⁸

Timeliness of reports examined

1.23 Standing Order 25(20)(c) requires the committee to report to the Senate on the late presentation of annual reports. The committee considers the timely presentation of annual reports to be an important element in accountability to the Parliament and reiterates its preference of having annual reports available to the Parliament before Supplementary Budget Estimates hearings.¹⁹

1.24 Appendix 1 lists the reports referred to the committee over the reporting period (1 November 2019 to 30 April 2020). The table lists the date each report was:

- submitted to its responsible Minister;

17 See Public Governance, Performance and Accountability Rule 2014, sections 17AB, 17BC and 28C.

18 Department of the Prime Minister and Cabinet, *Tabling Guidelines*, June 2019, p. 4.

19 As the 2020–21 budget

- first sighted by the responsible Minister; and
- tabled (or presented) in both Houses of Parliament.

1.25 The committee thanks the Commonwealth entities that submitted their annual reports to the responsible Minister by the prescribed date of 15 October 2019 or by the date set by the entity's relevant enabling legislation. Three reports did not meet the deadline:

- Anindilyakwa Land Council—Report for 2018–19;
- Australian Institute of Aboriginal and Torres Strait Islander Studies—Report for 2018–19; and
- Wreck Bay Aboriginal Community Council—Report for 2018–19.

1.26 The committee again encourages Commonwealth entities and companies to prepare annual reports in accordance with the timeframe outlined by the PGPA Rule, the Tabling Guidelines and the RMG.

Bodies which have not presented annual reports to the Parliament

1.27 Standing Order 25(20)(h) requires the committee to report to the Senate on whether there were any bodies that were required but failed to present an annual report to the Senate. Two entities did not present an annual report by the period covered by this report on annual reports:

- Northern Land Council—Report for 2018–19; and
- Executive Director of Township Leasing—Report for 2018–19.

1.28 The Northern Land Council's annual report for 2018–19 was presented to the Senate out of session on 2 July 2020. The annual report was due to be submitted to the Minister by 15 October 2019. Pursuant to the *Acts Interpretation Act 1901*, the Northern Land Council wrote to the Minister for Indigenous Affairs on 11 October 2019 to request an extension to present its annual report to the Parliament by 4 November 2019. Correspondence received by the Minister on 29 October 2019 indicated that the Northern Land Council intended to table its annual report during the November 2019 sittings.²⁰

1.29 The Executive Director of Township Leasing's annual report for 2018–19 was presented to the Senate out of session on 6 August 2020. The annual report was due to be submitted to the Minister by 15 October 2019.

1.30 These annual reports will be considered by the committee in its report on annual reports (No. 1 of 2021), which will examine reports tabled between 1 May 2020 to 31 October 2020.

20 The correspondence was tabled in the Senate on 11 November 2019. See *Journals of the Senate*, No. 24, 11 November 2019, p. 732; *House of Representatives Votes and Proceedings*, No. 28, 25 November 2019, p. 420.

Annual reports referred to in the Senate

1.31 Under Standing Order 25(20)(d), the committee is required to take into consideration any remarks made in the Senate about each annual report. The committee notes that one annual report was considered in the Senate for the period covered in this report.

1.32 During the Consideration of Documents in the Senate on 13 February 2020, Senator Malarndirri McCarthy, Deputy Opposition Whip in the Senate rose to speak on the Outback Stores Pty Ltd—Report for 2018–19.²¹ In her statement, Senator McCarthy outlined the company's achievements during the 2018–19 reporting period and efforts to improve the health and economy of Indigenous communities.

Assessment of reports

1.33 Standing Order 25(20)(a) requires that the committee to report to the Senate on whether the annual reports referred to it in the relevant period were 'apparently satisfactory'. In assessing these reports, the committee has taken into consideration the role and purpose of annual reports within the Commonwealth performance framework, the legislative requirements for the reports, and guidance for best practice in the Tabling Guidelines and the RMG.

1.34 The committee considers all reports examined to be 'apparently satisfactory', however, as noted above, continues to encourage Commonwealth bodies to aim for standards of best practice in preparing annual reports.

21 *Senate Hansard*, 13 February 2020, pp. 1045–1046.

Chapter 2

Review of selected reports

2.1 Standing Order 25(20)(b) provides for the committee to consider selected reports in more detail. The 2018–19 annual reports of the following bodies were selected:

- Outback Stores Pty Ltd;
- Torres Strait Regional Authority; and
- Wreck Bay Aboriginal Community Council.

Outback Stores Pty Ltd

2.2 Outback Stores is a Commonwealth company operating under the National Indigenous Australians Agency (NIAA) within the Prime Minister and Cabinet portfolio (PM&C portfolio).¹ In 2018–19, Outback Stores reported to the Minister for Indigenous Affairs: Senator the Hon Nigel Scullion (until 28 May 2019) and the Hon Mr Ken Wyatt AM MP (from 29 May 2019).²

2.3 Outback Stores promotes the health, employment and economic development of Indigenous communities by improving access to 'affordable, healthy food' and providing retail management services to Indigenous-owned stores.³ As a registered training provider, Outback Stores also facilitates opportunities for its staff to complete recognised qualifications in retail services.⁴

2.4 Outback Stores' work supports three of the Australian Government's *Closing the Gap* targets:

- improve life expectancy for Indigenous Australians;
- reduce mortality rates for Indigenous children under the age of five; and
- improve employment outcomes between Indigenous and non-Indigenous Australians.⁵

Compliance

2.5 Outback Stores' 2018–19 annual report was submitted to the Minister on 31 October 2019, after the deadline of 15 October 2019 prescribed by paragraph 46(2)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). The report was presented out of session to the Senate on

1 Outback Stores Pty Ltd, *Annual Report 2018–19*, p. 51.

2 Outback Stores Pty Ltd, *Annual Report 2018–19*, p. 51.

3 Outback Stores Pty Ltd, *Annual Report 2018–19*, p. 46.

4 Outback Stores Pty Ltd, *Annual Report 2018–19*, p. 46.

5 Outback Stores Pty Ltd, *Annual Report 2018–19*, p. 50.

12 December 2019 and was tabled in the House of Representatives on 5 February 2020.⁶

2.6 In accordance with section 95 of the PGPA Act and section 27A of the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule), Outback Stores prepared a corporate plan for the reporting period, which is available for review on its website.⁷

2.7 The annual report was prepared according to the requirements of the PGPA Act, the *Corporations Act 2001*⁸ and *Resource Management Guide No. 137—Annual reports for Commonwealth companies*. The annual report also included information required by the *Work Health and Safety Act 2011* and the *Environment Protection and Biodiversity Conservation Act 1999*.⁹

2.8 The committee found Outback Stores' annual report to be compliant with its reporting requirements.

Organisational structure for the company and its subsidiaries

2.9 Subsection 28E(g) of the PGPA Rule requires Commonwealth companies to provide an outline of the organisational structure for the company and its subsidiaries. However, an outline of the organisational structure for Outback Stores' subsidiary, Cardwell Supermarket, was not included in the annual report.

2.10 The annual report also noted that Outback Stores' directors approved the sale of Cardwell Supermarket in 2018–19 and noted that it expected to find a buyer by December 2019.¹⁰

Decision making process undertaken by the directors of the company regarding transactions between the Commonwealth and the company

2.11 On behalf of the Commonwealth, the Department of the Prime Minister and Cabinet (DPM&C) acts as Outback Stores' immediate parent and ultimate controlling party.¹¹ In accordance with subsections 28E(j) and 28E(k) of the PGPA Rule, Outback Stores provided information regarding party relationships and associated transactions. In 2018–19, DPM&C provided a grant valued at \$247 500 to Outback Stores to assist the delivery of its Nutrition Program.¹²

6 *House of Representatives Votes and Proceedings*, No. 37, 5 February 2020, p. 634.

7 Outback Stores Pty Ltd, *Corporate Plan 2018–21*, <https://outbackstores.com.au/wp-content/uploads/2017/12/os-corporate-plan-fa-web.pdf> (accessed 7 April 2020).

8 Outback Stores Pty Ltd, *Annual Report 2018–19*, p. 9.

9 See clause 4 of Part 4 of Schedule 2 of the *Work Health and Safety Act 2011*; and section 516A of the *Environment Protection and Biodiversity Conservation Act 1999*.

10 Outback Stores Pty Ltd, *Annual Report 2018–19*, pp. 47, 123.

11 Outback Stores Pty Ltd, *Annual Report 2018–19*, p. 114.

12 Outback Stores Pty Ltd, *Annual Report 2018–19*, p. 114.

Changes to the company's financial conditions

2.12 In accordance with paragraph 28F(1)(a) of the PGPA Rule, Outback Stores' annual report discussed events or risks that may cause unreported financial information to affect future operations or financial conditions.

2.13 In addition to its risk register,¹³ Outback Stores' Store Assessment Committee mitigated against liquidity risk by reviewing 'the viability of new stores proposed for management agreements to evaluate required establishment and support funds' prior to entering into a new loan contract.¹⁴ If a store cannot repay its loan, the amount is funded by grant income received from the DPM&C (as Outback Stores' parent entity).¹⁵

2.14 The annual report also noted mechanisms in place to mitigate matters relating to market risk, such as other price, credit, foreign currency and interest rate risks.¹⁶ Outback Stores reported minimal other price risks (from equity investments) and foreign currency risks (due to limited foreign exchange exposure).¹⁷ Credit risk was primarily affected by credit worthy counter parties such as Metcash—Outback Stores' inventory supplier.¹⁸ Interest rate risk was reported to be managed by Outback Stores' treasury function policy and 'by investing in short term interest bearing deposits, and lending to stores using varied maturity periods'.¹⁹

Performance

2.15 Throughout 2018–19 Outback Stores worked towards achieving seven goals identified as being strategic priorities by the board of directors and senior management team:

- to exceed shareholders' expectations;
- be recognised as a reliable retail provider;
- to build strong partnerships with current and potential store owners;
- to develop an effective healthy food strategy;
- be an employer of choice;
- be the most innovative retailer; and
- to make a surplus before interest.²⁰

13 Outback Stores Pty Ltd, *Annual Report 2018–19*, p. 118.

14 Outback Stores Pty Ltd, *Annual Report 2018–19*, p. 118.

15 Outback Stores Pty Ltd, *Annual Report 2018–19*, p. 118.

16 Outback Stores Pty Ltd, *Annual Report 2018–19*, p. 118.

17 Outback Stores Pty Ltd, *Annual Report 2018–19*, p. 118.

18 Outback Stores Pty Ltd, *Annual Report 2018–19*, p. 118.

19 Outback Stores Pty Ltd, *Annual Report 2018–19*, p. 118.

20 Outback Stores Pty Ltd, *Annual Report 2018–19*, p. 48; Outback Stores Pty Ltd, *Corporate Plan 2018–21*, p. 8.

2.16 Outback Stores' annual report used case studies to highlight several achievements in 2018–19. It may assist the committee if case studies were mapped against the relevant goal set out in the corporate plan in future annual reports.

2.17 The 2018–19 annual report assessed the company's performance against six key performance indicators (KPIs) set out in the corporate plan:

- increase tonnage of fruit and vegetables sold in stores;
- reduce full sugar soft drink sales as a percentage of total drink sales;
- increase the number of stores;
- increase the percentage of Aboriginal and Torres Strait Islander employees in remote retail outlets;
- increase the number of Aboriginal and Torres Strait Islander Outback Stores support office employees and store management; and
- increase the percentage of permanent Indigenous employees enrolled in accredited training programs.²¹

2.18 The committee found the annual report's presentation of the target and result for each KPI was well-presented. The table used to summarise the KPI results indicated that Outback Stores surpassed targets for five of its six KPIs.²²

Increase fruit and vegetable tonnage

2.19 In 2018–19, Outback Stores reported that it increased the tonnage of fresh produce sold in stores by 4.86 per cent (or 21 tonnes), compared to a target of 2.5 per cent set by the corporate plan.²³ The annual report noted that to overcome challenges created by extreme weather events which restricted the availability and pricing of fruit and vegetable sales, Outback Stores worked with suppliers to deliver fortnightly promotional programs to ease the impact of procurement expenses being passed on to store customers.²⁴

2.20 The annual report also noted that work undertaken to fulfil this KPI supported the Australian Government's target to close the gap in life expectancy between Indigenous and non-Indigenous Australians by improving access to healthy food.²⁵ For example, the Papunya Community Store increased the frequency of deliveries and reduced the price of a basket of staple products by \$20 (compared to prices under previous management).²⁶ Outback Stores also continued to support the Australian

21 Outback Stores Pty Ltd, *Annual Report 2018–19*, p. 49; Outback Stores Pty Ltd, *Corporate Plan 2018–21*, p. 9.

22 Outback Stores Pty Ltd, *Annual Report 2018–19*, p. 49.

23 Outback Stores Pty Ltd, *Annual Report 2018–19*, p. 46; Outback Stores Pty Ltd, *Corporate Plan 2018–21*, p. 9.

24 Outback Stores Pty Ltd, *Annual Report 2018–19*, p. 16.

25 Outback Stores Pty Ltd, *Annual Report 2018–19*, p. 50.

26 Outback Stores Pty Ltd, *Annual Report 2018–19*, p. 31.

Government's School Nutrition Program by providing meals to school children in the Northern Territory from its Mirnirri, Wetenngerr, Nitjpurru and Papunya community stores.²⁷

Reduce full sugar soft drink sales

2.21 In 2018–19, Outback Stores reduced sales of full sugar soft drinks as a percentage of total drink sales by 2.59 per cent (4.2 tonnes), compared to a target of one per cent set by the corporate plan.²⁸ Although lower prices for bottled water increased sales of that product by 2.66 per cent,²⁹ soft drink sales still accounted for 55.21 per cent of total drink sales.³⁰

2.22 The annual report noted that this KPI supported the Australian Government's target to 'halve the gap in mortality rates for Indigenous children under five within a decade' by promoting healthy choices.³¹ For example, through its Sugar Reduction Project, Outback Stores supported the *Good Tucker App* trial throughout 2018–19 for cooking demonstrations promoting a healthy diet.³²

Aboriginal and Torres Strait Islander remote retail outlet employees

2.23 In 2018–19, 87 per cent of employees in Outback Stores' remote retail outlets identified as Aboriginal and Torres Strait Islander, compared to an 83 per cent target set by the corporate plan.³³ This achievement resulted in 276 people engaging in the workforce within remote communities during the reporting period.³⁴ The annual report did not outline the activities undertaken by Outback Stores to achieve this KPI.

Aboriginal and Torres Strait Islander Outback Stores support office employees and store management

2.24 There were 145 ongoing employees in support office and store management roles (including 117 employees in the Northern Territory, 22 in Western Australia and three in South Australia) in 2018–19.³⁵ Seven of these employees identified as Aboriginal and Torres Strait Islander, which surpassed the target of six set by the

27 Outback Stores Pty Ltd, *Annual Report 2018–19*, p. 19.

28 Outback Stores Pty Ltd, *Annual Report 2018–19*, p. 49; Outback Stores Pty Ltd, *Corporate Plan 2018–21*, p. 9.

29 Outback Stores Pty Ltd, *Annual Report 2018–19*, p. 15.

30 Outback Stores Pty Ltd, *Annual Report 2018–19*, p. 15.

31 Outback Stores Pty Ltd, *Annual Report 2018–19*, p. 50.

32 Outback Stores Pty Ltd, *Annual Report 2018–19*, p. 15.

33 Outback Stores Pty Ltd, *Annual Report 2018–19*, p. 49; Outback Stores Pty Ltd, *Corporate Plan 2018–21*, p. 9.

34 Outback Stores Pty Ltd, *Annual Report 2018–19*, p. 21.

35 Outback Stores Pty Ltd, *Annual Report 2018–19*, p. 46.

corporate plan.³⁶ The annual report did not comment on any initiatives undertaken by Outback Stores to achieve this target.

Aboriginal and Torres Strait Islander employees enrolled in accredited training programs

2.25 Fifty-three per cent of Outback Stores' permanent Aboriginal and Torres Strait Islander employees were enrolled in accredited training programs during 2018–19 and 25 employees completed a nationally accredited Certificate II, III or IV in Retail.³⁷ The result recorded in the annual report indicated that Outback Stores did not reach the target of 60 per cent set by the corporate plan.³⁸

Increase the number of stores

2.26 Outback Stores acquired three new stores in 2018–19, compared to a target of two set by the corporate plan.³⁹ The annual report did not discuss how Outback Stores achieved this target. As at 30 June 2019 Outback Stores worked with 741 stores (38 of which operated in remote communities).⁴⁰ Of these stores, 205 were located in Western Australia, 431 in the Northern Territory and 105 in South Australia.⁴¹

Financial statements

2.27 The financial statements for Outback Stores and its subsidiaries were prepared as required by section 42 of the PGPA Act and paragraph 17AD(c)(ii) of the PGPA Rule. The statements received an unqualified assurance report from the Australian National Audit Office (ANAO).⁴²

2.28 Outback Stores delivered a total operating profit from continuing operations of \$342 344 during 2018–19, compared to a \$96 402 profit in 2017–18.⁴³ After a comprehensive income loss of \$69 061 in 2017–18, Outback Stores recorded a total comprehensive income surplus of \$287 724 in 2018–19.⁴⁴ The annual report noted that the surplus was reinvested back into the community in accordance with its not-for-profit principles.⁴⁵

36 Outback Stores Pty Ltd, *Annual Report 2018–19*, p. 49; Outback Stores Pty Ltd, *Corporate Plan 2018–21*, p. 9.

37 Outback Stores Pty Ltd, *Annual Report 2018–19*, p. 49.

38 Outback Stores Pty Ltd, *Corporate Plan 2018–21*, p. 9.

39 Outback Stores Pty Ltd, *Annual Report 2018–19*, p. 49.

40 Outback Stores Pty Ltd, *Annual Report 2018–19*, p. 12.

41 Outback Stores Pty Ltd, *Annual Report 2018–19*, p. 42.

42 Outback Stores Pty Ltd, *Annual Report 2018–19*, pp. 72–75.

43 Outback Stores Pty Ltd, *Annual Report 2018–19*, p. 76.

44 Outback Stores Pty Ltd, *Annual Report 2018–19*, p. 76.

45 Outback Stores Pty Ltd, *Annual Report 2018–19*, p. 12.

2.29 In 2018–19, the Outback Stores' total revenue amounted to \$20 million (\$1.7 million more than recorded in 2017–18).⁴⁶ According to the financial statements, revenue primarily came from government grants, the sale of goods and rendering of services, interest income, rental income and rebates.⁴⁷ Other revenue included commission, consultancy fees, training subsidies and gains from the disposal of fixed assets.⁴⁸

2.30 Expenses totalled \$19.5 million in 2018–19 and comprised of consulting costs, depreciation and amortisation, employee benefits, rental expenses, grants and administrative expenditure.⁴⁹ Employee benefits accounted for 63 per cent (\$12.4 million) of Outback Stores' total expenditure and grants accounted for 13.9 per cent (\$2.7 million).⁵⁰

2.31 Outback Stores reported a total financial loss of \$54 620 for Cardwell Supermarket in 2018–19.⁵¹ At the time of reporting, all major classes of assets and liabilities for Cardwell Supermarket were held for sale to the value of approximately \$727 000.⁵²

2.32 Outback Stores' annual report delivered a useful overview of its financial performance during the 2018–19 financial year and provided a comprehensive commentary of its financial results, which greatly assisted the committee's assessment.

Committee view

2.33 The committee found Outback Stores' annual report to be well-presented and informative. For the purposes of its report to the Senate, the committee considers the company's annual report to be 'apparently satisfactory'.

Torres Strait Regional Authority

2.34 The Torres Strait Regional Authority (TSRA) is a corporate Commonwealth entity operating under the *Aboriginal and Torres Strait Islander Act 2005* (ATSI Act). The TSRA supports community development and delivers a range of services across the Torres Strait's 17 inhabited islands and the Northern Peninsula region's Bamaga and Seisia communities.⁵³

46 Outback Stores Pty Ltd, *Annual Report 2018–19*, p. 76.

47 Outback Stores Pty Ltd, *Annual Report 2018–19*, p. 97.

48 Outback Stores Pty Ltd, *Annual Report 2018–19*, p. 98.

49 Outback Stores Pty Ltd, *Annual Report 2018–19*, p. 76.

50 Outback Stores Pty Ltd, *Annual Report 2018–19*, pp. 76, 100.

51 Outback Stores Pty Ltd, *Annual Report 2018–19*, p. 123.

52 Outback Stores Pty Ltd, *Annual Report 2018–19*, p. 123.

53 Torres Strait Regional Authority, *Annual Report 2018–19*, p. 65; Torres Strait Regional Authority, *Corporate Plan 2018–19*, p. 9.

2.35 As part of the PM&C portfolio, in 2018–19 the TSRA reported to the Minister for Indigenous Affairs: Senator the Hon Nigel Scullion (until 28 May 2019) and the Hon Mr Ken Wyatt AM MP (from 29 May 2019).⁵⁴

2.36 The TSRA's purpose derives from its one outcome set by the Portfolio Budget Statements (PBS) to:

Progress towards closing the gap for Torres Strait Islander and Aboriginal people living in the Torres Strait region through development, planning, coordination, sustainable resource management, and preservation and promotion of Indigenous culture.⁵⁵

2.37 The TSRA's work is guided by the goals stated in the *Torres Strait Development Plan 2014–2018* (Development Plan) and the *Torres Strait and Northern Peninsula Area Regional Plan 2009–2029*.⁵⁶ As the region's Native Title Representative Body the TSRA also performs separate functions under the *Native Title Act 1993*.⁵⁷

Compliance

2.38 The TSRA provided its 2018–19 annual report to the Minister by the due date of 15 October 2019, and was tabled in both the House of Representatives and the Senate on 3 December 2019.⁵⁸

2.39 The TSRA's annual report was prepared according to the requirements of the PGPA Act and *Resource Management Guide No. 136—Annual reports for corporate Commonwealth entities*. The annual report also included information required by the *Work Health and Safety Act 2011* and the *Environment Protection and Biodiversity Conservation Act 1999*.

2.40 In accordance with section 35 of the PGPA Act and section 16E of the PGPA Rule, the TSRA prepared a corporate plan for the reporting period.⁵⁹ The committee notes that the TSRA only maintains its current corporate plan on its website with previous plans available from the TSRA upon request. The committee highlights its preference that Commonwealth entities and companies maintain past corporate plans on their websites to assist the committee and other interested persons to compare performance and corporate direction over reporting periods as part of the Enhanced Commonwealth Performance Framework.

54 Torres Strait Regional Authority, *Annual Report 2018–19*, p. 51.

55 Commonwealth of Australia, *Prime Minister and Cabinet Portfolio Budget Statements 2018–19: Budget Related Paper No. 1.14*, p. 13.

56 Torres Strait Regional Authority, *Corporate Plan 2018–19*, p. 5.

57 Torres Strait Regional Authority, *Corporate Plan 2018–19*, p. 5.

58 *House of Representatives Votes and Proceedings*, No. 33, 3 December 2019, p. 544; *Journals of the Senate*, No. 33, 3 December 2019, p. 1031.

59 Torres Strait Regional Authority, *Corporate Plan 2018–19*, http://www.tsra.gov.au/_data/assets/pdf_file/0014/21335/TSRA_2018-2019_Corporate_Plan.pdf (accessed 22 April 2020).

2.41 The committee found the annual report to be compliant with most of its reporting requirements.

Additional reporting requirements set out in the ATSI Act

2.42 Subsection 144ZB(2) requires the TSRA to report on any directions given by the Minister under section 142E and any consultants engaged under section 144T of the ATSI Act. The TSRA reported that it did not receive any formal directions from the Minister in 2018–19,⁶⁰ and provided a comprehensive list and details of consultancy projects in Appendix 3 of the annual report.⁶¹

2.43 The TSRA is also required to report details of grants under subsection 144ZB(3) of the ATSI Act. In 2018–19, the TSRA provided approximately \$15.4 million in grants to various regional organisations.⁶² The details of each individual grant were recorded in Appendix 2 of the annual report.⁶³

2.44 In accordance with subsection 144ZB(4) of the ATSI Act, the TSRA did not disclose any matters known to be held sacred by Torres Strait Islanders or Aboriginal persons in its annual report.⁶⁴

2.45 Section 142D of the ATSI Act requires the TSRA to formulate and periodically review a Development Plan,⁶⁵ which sets out how the TSRA intends to contribute to the Australian Government's *Indigenous Advancement Strategy* and *Closing the Gap* targets.⁶⁶ The 2014–18 Development Plan stated that:

The outcomes, benefits and targets in the Development Plan are delivered through the TSRA's annual corporate plans, and achievements are reported in the TSRA's annual reports to the parliament.⁶⁷

2.46 The TSRA reported on its performance results for targets set by the 2014–18 Development Plan in the Program Reports section of the 2018–19 annual report. The program reports in the 2018–19 annual report provided an extensive overview of the activities undertaken to support the eight programs set out in the Development Plan. The annual report recorded each activity as being either 'completed/on schedule' or 'behind less than three months'.⁶⁸

60 Torres Strait Regional Authority, *Annual Report 2018–19*, p. 67.

61 Torres Strait Regional Authority, *Annual Report 2018–19*, pp. 133–135.

62 Torres Strait Regional Authority, *Annual Report 2018–19*, pp. 130–131.

63 Torres Strait Regional Authority, *Annual Report 2018–19*, pp. 130–131.

64 Torres Strait Regional Authority, *Annual Report 2018–19*, p. 93.

65 See section 142D of the *Aboriginal and Torres Strait Islander Act 2005*.

66 Torres Strait Regional Authority, *Torres Strait Regional Development Plan 2019–2022*, p. 6.

67 Torres Strait Regional Authority, *Torres Strait Regional Development Plan 2014–2018*, p. 8.

68 Torres Strait Regional Authority, *Annual Report 2018–19*, pp. 16–57.

2.47 The committee notes the results presented in the Program Report and the Development Plan targets. However, for the purposes of assessing the TSRA's performance in 2018–19, the TSRA's corporate plan stated:

The TSRA will report on its performance in the 2018–19 Corporate Plan and the Portfolio Budget Statement through the TSRA's 2018–19 Annual Performance Statement (Annual Report).⁶⁹

Performance

2.48 The annual performance statement in the 2018–19 annual report discussed the results for the TSRA's 11 KPIs set out in the PBS⁷⁰ and the corporate plan:

- increase the number of Torres Strait Islander and Aboriginal owned commercially viable businesses;
- increase availability of approved business training;
- increase catches by Torres Strait and Aboriginal fishers relative to total allowable catch (TAC);
- increase the number of artists and cultural practitioners that have access to information and support to ensure copyright and intellectual property rights;
- increase the number of Native Title claims successfully determined;
- improve the number of Indigenous Land Use Agreements (ILUAs) with compensation or other benefits;
- increase the number of endorsed community based management plans for natural and cultural resources;
- increase the level of engagement of elected Torres Strait Islander and Aboriginal leaders in policy development and decision-making;
- increase the number of Prescribed Bodies Corporate (PBCs) that achieve Office of the Registrar of Indigenous Corporations (ORIC) compliance as at 31 December each year;
- increase investment in new and existing regional environmental health;
- increase percentage ownership of Torres Strait commercial fisheries by Torres Strait Islanders and Aboriginal people; and
- improve existing regional health, telecommunication and marine infrastructure.⁷¹

69 Torres Strait Regional Authority, *Corporate Plan 2018–19*, p. 20.

70 Commonwealth of Australia, *Prime Minister and Cabinet Portfolio Budget Statements 2018–19: Budget Related Paper No. 1.14*, pp. 324–325.

71 Torres Strait Regional Authority, *Corporate Plan 2018–19*, p. 21.

Increase the number of Torres Strait Islander and Aboriginal owned commercially viable businesses

2.49 The corporate plan stated that this KPI contributes to improving regional wealth and supports the TSRA's *Closing the Gap* commitment 'to halve the gap in employment outcomes between Indigenous and non-Indigenous Australians'.⁷²

2.50 The corporate plan indicated that this KPI would be assessed according to the Community Development Projects audit of businesses in the Torres Strait area and the number of TSRA business loans.⁷³

2.51 According to the annual performance statement, the TSRA provided three business loans to Torres Strait Islander and Aboriginal businesses (with a combined value of \$598 187), and supported 11 clients through business mentoring initiatives in 2018–19.⁷⁴ In 2017–18, the TSRA granted five loans to the total value of \$647 151.⁷⁵

2.52 The annual performance statement did not discuss the findings of the Community Development Projects audit.

Increase availability of approved business training

2.53 As with the KPI to increase the number of Torres Strait Islander and Aboriginal owned businesses, the corporate plan stated that this KPI contributes to improving regional wealth and supports the TSRA's *Closing the Gap* commitment 'to halve the gap in employment outcomes between Indigenous and non-Indigenous Australians'.⁷⁶

2.54 In 2018–19, opportunities for business training were facilitated by the TSRA's You Sabe Business Workshops, Torres Strait Maritime Pathways Project and the Growing Our Own Tagai Transitions Maritime Project.⁷⁷ The annual performance statement reported on the You Sabe Business Workshop series, which assisted local Indigenous start-ups to develop their business skills and improve prospects for growth.⁷⁸

2.55 According to the annual report, the TSRA facilitated nine courses with a combined total of 73 participants in 2018–19.⁷⁹ In 2017–18, the TSRA offered 12 courses with 113 total participants.⁸⁰

72 Torres Strait Regional Authority, *Corporate Plan 2018–19*, p. 29.

73 Torres Strait Regional Authority, *Corporate Plan 2018–19*, p. 29.

74 Torres Strait Regional Authority, *Annual Report 2018–19*, p. 9.

75 Torres Strait Regional Authority, *Annual Report 2018–19*, p. 9.

76 Torres Strait Regional Authority, *Corporate Plan 2018–19*, p. 30.

77 Torres Strait Regional Authority, *Annual Report 2018–19*, pp. 18–19.

78 Torres Strait Regional Authority, *Annual Report 2018–19*, p. 10.

79 Torres Strait Regional Authority, *Annual Report 2018–19*, p. 10.

80 Torres Strait Regional Authority, *Annual Report 2018–19*, p. 10.

Increase catches by Torres Strait and Aboriginal fishers relative to TAC

2.56 The TSRA presented the results for this KPI in separate tables for each regional fish species. In 2018–19, Torres Strait and Aboriginal fishers caught:

- approximately 48 per cent of total tropical rock lobster catches (representing a small decrease compared to the result reported in 2017–18), relative to the TAC;
- approximately three per cent of coral trout catches (representing a small decrease compared to the result reported in 2017–18);
- just under six per cent of Spanish mackerel catches (representing a four per cent increase compared to the result reported in 2017–18); and
- approximately 58 per cent of bêche-de-mer species (representing a 26 per cent increase compared to the result reported in 2017–18).⁸¹

2.57 The annual performance statement noted that the TSRA's mandatory fish receiver system commenced at the end of 2017 and therefore was still being implemented throughout 2018–19.⁸² The TSRA expects to see the percentage of catches by Torres Strait and Aboriginal fishers relative to TAC improve as compliance reporting increases.⁸³

Increase the number of artists and cultural practitioners that have access to information and support to ensure copyright and intellectual property rights

2.58 The corporate plan stated that this KPI measures the number of artists and cultural practitioners who are provided with information 'about their rights in relation to the sale and reproduction of their artwork and intellectual property rights'.⁸⁴ The corporate plan set a baseline result of 70 artists.⁸⁵

2.59 In the annual performance statement, the TSRA reported that there were 156 artists and 35 cultural practitioners active in the region in 2018–19.⁸⁶ These results demonstrated an increase in the number of active artists and cultural practitioners when compared to results reported in 2017–18 (156 artists and 30 cultural practitioners).⁸⁷

2.60 The annual report did not specify if these artists and cultural practitioners had been provided with information and support to ensure copyright and intellectual property rights, which limited the committee's capacity to assess the results for this KPI. It would assist the committee if the TSRA specified the number of artists and

81 Torres Strait Regional Authority, *Annual Report 2018–19*, p. 11.

82 Torres Strait Regional Authority, *Annual Report 2018–19*, p. 10.

83 Torres Strait Regional Authority, *Annual Report 2018–19*, p. 10.

84 Torres Strait Regional Authority, *Corporate Plan 2018–19*, p. 38.

85 Torres Strait Regional Authority, *Corporate Plan 2018–19*, p. 35.

86 Torres Strait Regional Authority, *Annual Report 2018–19*, p. 12.

87 Torres Strait Regional Authority, *Annual Report 2018–19*, p. 12.

cultural practitioners in terms of those provided with information regarding copyright and intellectual property rights in future annual reports.⁸⁸

Increase the number of Native Title claims successfully determined

2.61 The corporate plan stated that this KPI measures the completeness of Native Title determinations for the Torres Strait region, where a lower number of outstanding Native Title claims indicates better performance.⁸⁹

2.62 The TSRA provided 331 responses to 343 Future Acts Notices that were received during the reporting period, which equated to a 96.5 per cent response rate.⁹⁰ However in 2017–18, 258 out of 260 Future Act Notices received a response, which equated to a 99.2 per cent response rate.⁹¹

2.63 The annual report also recorded that five Native Title claims were under consideration in 2018–19 (the same number was recorded for each reporting period since 2015–16).⁹²

Improve the number of ILUAs with compensation or other benefits

2.64 The corporate plan specified that this KPI would be assessed according to the 'value of compensation regimes negotiated for PBCs on behalf of the Traditional Owners', with a higher figure representing better performance.⁹³ The corporate plan also stated the baseline for this KPI was set at 65 ILUAs registered on the National Native Title Register and \$2.4 million in compensation payments.⁹⁴

2.65 The TSRA reported that 16 ILUAs were registered with the National Native Title Tribunal in 2018–19, compared to 13 ILUAs registered in 2017–18 and seven ILUAs in 2016–17.⁹⁵ The annual report did not specify the value of compensation payments received during the reporting period.

Increase the number of endorsed community based management plans for the natural and cultural resources

2.66 In 2018–19, the TSRA had a total of 49 community based management plans in operation (12 more than reported in 2017–18).⁹⁶

88 See Department of Finance, *Resource Management Guide No. 134: Annual performance statements for Commonwealth entities*, March 2020, pp. 13–19.

89 Torres Strait Regional Authority, *Corporate Plan 2018–19*, p. 41.

90 Torres Strait Regional Authority, *Annual Report 2018–19*, p. 13.

91 Torres Strait Regional Authority, *Annual Report 2017–18*, p. 21.

92 Torres Strait Regional Authority, *Annual Report 2018–19*, p. 13.

93 Torres Strait Regional Authority, *Corporate Plan 2018–19*, p. 42.

94 Torres Strait Regional Authority, *Corporate Plan 2018–19*, p. 42.

95 Torres Strait Regional Authority, *Annual Report 2018–19*, p. 13.

96 Torres Strait Regional Authority, *Annual Report 2018–19*, p. 14.

2.67 The corporate plan listed the following community based management plans to 'be reported on for the purposes of this KPI':

- Dugong and Turtle Management Plans;
- Ranger Working on Country Plans;
- Indigenous Protected Area Plans of Management; and
- Biodiversity Profiles and Ecological Fire Management Plans.⁹⁷

2.68 As indicated by the corporate plan, the annual performance statement included a discussion and progress update for each of these plans.

2.69 The Dugong and Turtle Management Plans operating in each of the 14 outer island communities entered a review process in 2018–19.⁹⁸ At the time of reporting, the TSRA was supporting Traditional Elders from the Kaiwalagal region to consider a Dugong and Turtle Management Plan and permit system.⁹⁹

2.70 The review process for Ranger Working on Country Plans, which operate in all communities across the Torres Strait region, commenced in 2018–19.¹⁰⁰

2.71 Feral Animal Strategies were completed across four communities, as well as control works to protect five communities from wild dogs and feral cats.¹⁰¹ The annual performance statements also noted that a cane toad mitigation plan for Horn Island and Thursday Island had been developed.¹⁰²

2.72 The TSRA launched its *Torres Strait Regional Biosecurity Plan 2018–2023* in November 2018, which led to the development of 18 subsequent Biosecurity Action Plans.¹⁰³ At the time of reporting these plans were being implemented in consultation with Traditional Owners, Registered Native Title Bodies Corporate and state governments.¹⁰⁴

Increase the level of engagement of elected Torres Strait Islander and Aboriginal leaders in policy development and decision-making

2.73 The corporate plan stated that this KPI indicates 'the TSRA's influence at senior levels of government' and specified that the results would show the number of engagements achieved as well as the number of commitments sought.¹⁰⁵

97 Torres Strait Regional Authority, *Corporate Plan 2018–19*, p. 46.

98 Torres Strait Regional Authority, *Annual Report 2018–19*, p. 13.

99 Torres Strait Regional Authority, *Annual Report 2018–19*, p. 13.

100 Torres Strait Regional Authority, *Annual Report 2018–19*, p. 14.

101 Torres Strait Regional Authority, *Annual Report 2018–19*, p. 14.

102 Torres Strait Regional Authority, *Annual Report 2018–19*, p. 14.

103 Torres Strait Regional Authority, *Annual Report 2018–19*, p. 14.

104 Torres Strait Regional Authority, *Annual Report 2018–19*, p. 14.

105 Torres Strait Regional Authority, *Corporate Plan 2018–19*, p. 49.

2.74 In 2018–19, elected members of the TSRA participated in 12 high-level engagements with ministers and senior officials from the Queensland Government and the Australian Government.¹⁰⁶ The annual report noted that as a result of the prorogation of Parliament in April 2019, Torres Strait Islander and Aboriginal leaders had fewer opportunities to meet with government ministers.¹⁰⁷

2.75 This result followed 20 engagements in 2017–18 (noting that the Queensland state election was held on 25 November 2017), and 41 engagements in 2016–2017 (noting that the Australian federal election was held on 2 July 2016).¹⁰⁸

2.76 The annual report did not specify the number of commitments sought.

Number of PBCs that achieve ORIC compliance as at 31 December each year

2.77 According to the corporate plan, this KPI is measured according to the number of PBCs below the total number (21) of PBCs in the Torres Strait Region, with a number below the total representing a negative result.¹⁰⁹ The results for this KPI indicate if a PBC is able to effectively participate in Native Title determination discussions.¹¹⁰

2.78 The corporate plan also noted that the TSRA's capacity to achieve this KPI is limited by compliance and related governance matters being the responsibility of each PBC Director.¹¹¹

2.79 The TSRA reported that most Registered Native Title Bodies Corporate met the compliance requirements of the ORIC by 31 December 2018.¹¹² As the annual report did not specify the exact number of PBCs achieving compliance, the committee was unable to conclude its assessment for this KPI.

2.80 However, the 2017–18 annual report recorded that 100 per cent of PBCs achieved compliance each year from 2013–14 through to 2016–17 until 2017–18 when one PBC was reported not to have met the compliance requirements.¹¹³ It may assist the committee if the TSRA reported these figures in its 2019–20 annual report as per the guidance material concerning the reporting of results in *Resource Management Guide No. 134: Annual performance statements for Commonwealth entities*.¹¹⁴

106 Torres Strait Regional Authority, *Annual Report 2018–19*, p. 14.

107 Torres Strait Regional Authority, *Annual Report 2018–19*, p. 14.

108 Torres Strait Regional Authority, *Annual Report 2018–19*, p. 14.

109 Torres Strait Regional Authority, *Corporate Plan 2018–19*, p. 43.

110 Torres Strait Regional Authority, *Corporate Plan 2018–19*, p. 43.

111 Torres Strait Regional Authority, *Corporate Plan 2018–19*, p. 43.

112 Torres Strait Regional Authority, *Annual Report 2018–19*, p. 15.

113 Torres Strait Regional Authority, *Annual Report 2017–18*, p. 23.

114 See Department of Finance, *Resource Management Guide No. 134: Annual Performance Statements for Commonwealth Entities*, March 2020.

Increase investment in new and existing regional environmental health

2.81 According to the corporate plan, this KPI tracks funding to regional councils¹¹⁵ and Whole of Government investment, with an increase in value representing a positive result.¹¹⁶ As the results for this KPI were reported descriptively, how the results for 2018–19 compared to previous years was unclear. However, the explanations of each investment initiative's goals assisted the committee's examination of the TSRA's performance for this KPI.

2.82 In 2018–19, the TSRA invested in regional environmental health infrastructure through a number of initiatives. For example, the annual performance statements noted that the Australian and Queensland Governments provided \$30 million for the TSRA to commence Stage 6 of its Major Infrastructure Program, which enabled the TSRA to deliver 12 health infrastructure projects and a 'range of minor infrastructure projects through three regional councils'.¹¹⁷ The Queensland Government also provided \$20 million in coastal protection investment for the TSRA to commence Stage 2 of the Torres Strait Seawalls Program.¹¹⁸

Increase percentage ownership of Torres Strait commercial fisheries by Torres Strait Islanders and Aboriginal people

2.83 The corporate plan stated that this KPI contributes to the prosperity of the region's fisheries resources.¹¹⁹ The TSRA noted that this KPI is limited by total ownership not being wholly indicative of total participation in commercial fisheries.¹²⁰

2.84 The TSRA reported the following ownership percentages for Torres Strait and Aboriginal Commercial Fishery Ownership for 2018–19:

- tropical rock lobster—66.17 per cent;
- finfish—100 per cent;
- bêche-de-mer—100 per cent;
- trochus and crab—100 per cent; and
- prawn—zero per cent.¹²¹

2.85 The results for this KPI show no change from the results reported in 2017–18.¹²²

115 Including the Torres Shire Council, Northern Peninsula Area Regional Council and the Torres Strait Island Regional Council.

116 Torres Strait Regional Authority, *Corporate Plan 2018–19*, pp. 52–53.

117 Torres Strait Regional Authority, *Annual Report 2018–19*, p. 15.

118 Torres Strait Regional Authority, *Annual Report 2018–19*, p. 15.

119 Torres Strait Regional Authority, *Corporate Plan 2018–19*, p. 33.

120 Torres Strait Regional Authority, *Corporate Plan 2018–19*, p. 33.

121 Torres Strait Regional Authority, *Annual Report 2018–19*, p. 12.

122 Torres Strait Regional Authority, *Annual Report 2017–18*, p. 20.

Improve existing regional health, telecommunication and marine infrastructure

2.86 This KPI overlaps with the goals described for the KPI discussed previously: increase investment in new and existing regional environmental health. Although the rationale and targets for this KPI were not explained in the corporate plan, the annual report discussed its work undertaken to improve existing regional health, telecommunication and marine infrastructure in 2018–19.¹²³ The annual performance statements detailed that initiatives such as the Torres Strait Digital Foundation Project and the Prince of Wales Island Safe Landing Facility Project facilitated improvements to 4G technology and repairs for the Badu Island airstrip.¹²⁴

Commonwealth Performance Framework—'clear read' principle

2.87 The committee found the relationship between the performance targets set out in the corporate plan and the results presented in the annual performance statement to be unclear for aspects of some KPIs.

2.88 The ANAO's *Commonwealth Resource Management Framework and the Clear Read Principle* audit report noted that the Commonwealth Performance Framework exists to improve the 'line of sight' between what the entity intended to achieve and what it reported to have achieved—known as the 'clear read' principle.¹²⁵

2.89 The Joint Committee on Public Accounts and Audit's *Report 453: Development of the Commonwealth Performance Framework* summarised the characteristics of a 'clear read' of performance information:

A 'clear read' means that performance information is being presented clearly and consistently across all relevant reports produced by an entity within the annual reporting cycle and also across several annual reporting cycles.¹²⁶

2.90 The Department of Finance provided further information regarding the expectations of the Commonwealth Performance Framework:

Performance planning and reporting should draw clear links between the entity's key activities and the results achieved and provides meaningful performance information with a clear line of sight between planned and actual performance. This allows a reader (including the Parliament) to assess the extent to which an entity's or company's intended results were achieved and the factors that affected performance.¹²⁷

123 Torres Strait Regional Authority, *Corporate Plan 2018–19*, p. 21.

124 Torres Strait Regional Authority, *Annual Report 2018–19*, p. 15.

125 Australian National Audit Office, *Auditor-General Report No. 14 2019–20: Commonwealth Resource Management Framework and the Clear Read Principle*, November 2019, p. 7.

126 Joint Committee on Public Accounts and Audit, *Report 453: Development of the Commonwealth Performance Framework*, December 2015, p. 54.

127 Department of Finance, *Commonwealth Performance Framework*, November 2019, <https://www.finance.gov.au/government/managing-commonwealth-resources/planning-reporting/commonwealth-performance-framework> (accessed 23 June 2020).

2.91 The committee found the use of case studies in the Highlights and Achievements section of the annual report to be helpful in demonstrating the TSRA's accomplishments. It may assist the committee if these achievements were mapped against the relevant KPI set out in the PBS and corporate plan in future annual reports.

2.92 Although the relationship between the targets set out in the corporate plan and the results reported in the annual performance statement for some KPIs was unclear, the committee found the inclusion of tables demonstrating the results for each KPI over a five year period greatly assisted its holistic assessment of the TSRA's performance.

Financial statements

2.93 The TSRA's annual report included financial statements, which were prepared as required by sections 42, 43 and 46 of the PGPA Act and in accordance with section 17AD of the PGPA Rule and the *Australian Accounting Standards—Reduced Disclosure Requirements*.¹²⁸ The financial statements received an unqualified assurance report from the ANAO.

2.94 In 2018–19, the TSRA reported an operating deficit of \$2.98 million.¹²⁹ This result followed an operating surplus of \$3.51 million for the previous financial year.¹³⁰ Total expenses for 2018–19 amounted to \$54.12 million, which primarily comprised of employee benefits, supplier costs and grants.¹³¹

2.95 The TSRA's total own-source revenue for 2018–19 amounted to \$15.15 million received from the rendering of services, interest and government contributions.¹³² Own-source revenue decreased by approximately 22 per cent in 2018–19 from the previous financial year.¹³³ The DPM&C also provided the TSRA with \$35.88 million in corporate Commonwealth entity payments.¹³⁴

2.96 The annual report's financial statements noted that the ATSI Act requires the TSRA to use funds available under its Housing Fund (including interest) exclusively for the purposes of housing loans.¹³⁵ In 2018–19, the TSRA's cash on hand or on deposit in its Housing Fund was \$374 000 (approximately 52 per cent more than reported in 2017–18).¹³⁶ These funds cannot be used for operational purposes.

128 Torres Strait Regional Authority, *Annual Report 2018–19*, pp. 96–97.

129 Torres Strait Regional Authority, *Annual Report 2018–19*, p. 100.

130 Torres Strait Regional Authority, *Annual Report 2018–19*, p. 100.

131 Torres Strait Regional Authority, *Annual Report 2018–19*, p. 100.

132 Torres Strait Regional Authority, *Annual Report 2018–19*, p. 100.

133 Torres Strait Regional Authority, *Annual Report 2018–19*, p. 100.

134 Torres Strait Regional Authority, *Annual Report 2018–19*, p. 107.

135 Torres Strait Regional Authority, *Annual Report 2018–19*, p. 108.

136 Torres Strait Regional Authority, *Annual Report 2018–19*, p. 108.

2.97 One contingent liability was reported, which was the result of a bank guarantee in favour of the Torres Shire Council valued at \$166 000.¹³⁷ The value of this liability remained steady between the 2017–18 and 2018–19 reporting periods.

Committee view

2.98 The committee found the TSRA's annual report to be well-presented and informative. For the purposes of its report to the Senate the committee considers the annual report to be 'apparently satisfactory'.

Wreck Bay Aboriginal Community Council

2.99 The Wreck Bay Aboriginal Community Council (WBACC) is a corporate Commonwealth entity established under the *Aboriginal Land Grant (Jervis Bay Territory) Act 1986* (Land Grant Act).¹³⁸ As part of the PM&C portfolio, in 2018–19 the WBACC reported to the Minister for Indigenous Affairs: Senator the Hon Nigel Scullion (until 28 May 2019) and the Hon Mr Ken Wyatt AM MP (from 29 May 2019).¹³⁹

2.100 Wreck Bay Village is a non-self-governing Commonwealth Territory located on the Bherwerre Peninsula in the Jervis Bay region of New South Wales with a population of 250 people.¹⁴⁰ The Land Grant Act stipulates for the WBACC, as the recognised land owner, to oversee land holding and land management as well as to provide community services for its members and businesses.¹⁴¹

2.101 According to its 2018–19 annual report and corporate plan, the WBACC assists the Wreck Bay Community to manage its own land and seas and promote economic and community development by supporting the community to 'determine its own future and lifestyle'.¹⁴²

Compliance

2.102 The WBACC presented its annual report to the Minister on 28 November 2019 after the deadline of 15 October 2019 prescribed by paragraph 46(2)(a) of the PGPA Act. The annual report was tabled in the House of Representatives on 6 February 2020¹⁴³ and in the Senate on 10 February 2020.¹⁴⁴

137 Torres Strait Regional Authority, *Annual Report 2018–19*, p. 116.

138 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, p. 2.

139 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, p. 2.

140 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, pp. 12–14.

141 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, pp. 11–14.

142 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, p. 2; Wreck Bay Aboriginal Community Council, *Corporate Plan 2018–19*, p. 4.

143 *House of Representatives Votes and Proceedings*, No. 38, 6 February 2020, p. 660.

144 *Journals of the Senate*, No. 39, 10 February 2020, p. 1269.

2.103 In accordance with section 35 of the PGPA Act and section 16E of the PGPA Rule, the WBACC developed a corporate plan for the reporting period, which is available for review on its website.¹⁴⁵

2.104 The WBACC prepared its annual report according to the requirements of the PGPA Act and the Land Grant Act,¹⁴⁶ as well as in accordance with *Resource Management Guide No. 136—Annual reports for corporate Commonwealth entities*. The WBACC also provided information required by the *Work Health and Safety Act 2011* and the *Environment Protection and Biodiversity Conservation Act 1999*.¹⁴⁷

2.105 The committee found the annual report to be compliant with most of its reporting requirements.

Non-compliance with finance law

2.106 In accordance with subsection 17BE(h) of the PGPA Rule, the WBACC provided a statement of a significant issue reported to the responsible Minister under paragraph 19(1)(e) that related to non-compliance with finance law.

2.107 The WBACC reported that it was found to have not complied with section 41 of the PGPA Act in relation to the management of a single document explaining its transactions and financial position.¹⁴⁸ A statement outlining the action taken to remedy the non-compliance, as required by subsection 17BE(i) of the PGPA Rule, stated that procedures were subsequently introduced to ensure the electronic storage of all documents.¹⁴⁹

Judicial decisions

2.108 Subsection 17BE(q) of the PGPA Rule requires corporate Commonwealth entities to report on the particulars of any judicial decisions or decisions of administrative tribunals made during the reporting period that have had or may have a significant effect on the entity's operations. In 2018–19 the WBACC reported one such judicial decision, which was the result of the decision of *Williams v Wreck Bay Aboriginal Community Council* [2019] HCA 213.¹⁵⁰

2.109 The result was unfavourable to the WBACC and made it 'liable for all repairs and maintenance to housing regardless of whether a tenant has paid rent and... whether damage has been caused to property by the tenant'.¹⁵¹ This decision required

145 Wreck Bay Aboriginal Community Council, *Corporate Plan 2018–19*, <http://www.wbacc.gov.au/wp-content/uploads/2018/08/WBACC-Corporate-Plan-2018-22-Final.pdf> (accessed 19 April 2020).

146 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, p. 40.

147 See clause 4 of Part 4 of Schedule 2 of the *Work Health and Safety Act 2011*; and section 516A of the *Environment Protection and Biodiversity Conservation Act 1999*.

148 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, p. 58.

149 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, p. 58.

150 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, p. 44.

151 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, p. 44.

the WBACC to adjust its approach to housing and resulted in the development of a Home Ownership Implementation Strategy.¹⁵²

2.110 WBACC reported that its capacity to achieve its performance criterion to 'seek regulations to enable enforcement of by-laws' was limited due to anticipated extensive legislative amendments following the case.¹⁵³ The annual report noted that the WBACC intended to pursue legislative and by-law change in response to the High Court's decision in 2019–20.¹⁵⁴

Decision making process undertaken by the accountable authority regarding transactions with related parties

2.111 In accordance with subsection 17BE(n) of the PGPA Rule, the WBACC provided details of the nature and value of transactions with Commonwealth entities. The annual report noted that the WBACC and related parties transact with the Commonwealth in the same capacity as ordinary citizens; such activities included 'the payment or refund of taxes, receipt of Medicare rebate or higher education loans'.¹⁵⁵ These transactions were not disclosed in the financial statements.

2.112 As the WBACC's establishing legislation empowers it to provide services to the community and business enterprises, transactions take place between members of the community and the WBACC on a daily basis.¹⁵⁶ The annual report summarised that these transactions in 2018–19 included childcare and housing services, scholarships, assistance payments and wages, and community activities.¹⁵⁷ The values of these transactions were not disclosed in the financial statements.

Performance

2.113 The WBACC's performance for the reporting period was measured through an assessment of six goals set out in the 2018–19 corporate plan:

- to obtain ownership of the land and waters of Jervis Bay;
- to represent the Community at all levels of government;
- to manage and maintain aboriginal land;
- to provide services to Community members;
- to conduct business enterprises; and
- to undertake skills analysis and skills training.¹⁵⁸

152 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, pp. 25, 45.

153 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, pp. 25, 45, 82.

154 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, p. 82.

155 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, p. 125.

156 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, p. 125.

157 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, p. 125.

158 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, p. 43.

2.114 Several performance criteria were mapped to each goal and were assessed through an analysis of the activities undertaken, followed by a discussion of the results and a summary of what steps the WBACC intended to take in the future to ensure it either maintained or improved its performance.

Goal 1: Ownership of land and waters

2.115 The WBACC's goal to obtain ownership of the land and waters of Jervis Bay was mapped against four performance criteria:

- petitions made to the Commonwealth Government for action on Regulations under the Land Act;
- work undertaken to regulate and enforce the community's by-laws;
- expansion of the Joint Management of Booderee National Park; and
- good governance practices to safeguard future land management.¹⁵⁹

2.116 The annual report noted that the WBACC made two petitions in 2018–19 to the Parliament, which sought grants for several parcels of land within the Jervis Bay Territory, and highlighted its intention to continue this practice in the future.¹⁶⁰ The Minister for Indigenous Affairs granted two blocks of vacant crown land in Jervis Bay Village, but indicated that he would not approve further land grants until the High Court handed down its decision regarding *Williams v Wreck Bay Aboriginal Community Council* [2019] due to its anticipated effects on its remit to manage housing.¹⁶¹

2.117 In 2018–19, members of the WBACC met with officials from the DPM&C to discuss its proposal for amendments to the Land Grant Act to allow for the enforcement of by-laws.¹⁶² The annual report noted that these amendments would empower the WBACC to administer its own land, as opposed to the current practice where offences are pursued through the courts.¹⁶³ This process was also put on hold until the outcome of the High Court case was clear as it was expected that the result would require more extensive legislative amendments.¹⁶⁴

2.118 The Booderee National Park has been jointly managed by Parks Australia and the WBACC since 1995. In 2018–19, the Joint Management Board facilitated training for its members and considered possible lease negotiations, which were expected to formally commence in 2019–20.¹⁶⁵ The annual report did not detail what these negotiations intended to achieve for the WBACC.

159 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, pp. 81–85.

160 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, p. 81.

161 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, p. 81.

162 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, p. 82.

163 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, p. 82.

164 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, p. 82.

165 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, pp. 82–83.

2.119 Governance and financial training were offered to members of the WBACC's Board, staff and community throughout 2018–19 to support its good governance principles.¹⁶⁶ Examples of the WBACC ensuring it maintained its good governance principles included the development of a Code of Conduct for Board meetings and a review of half of all childcare, workplace health and safety and community services policies.¹⁶⁷ The annual report noted that the WBACC intended to review its housing policies in 2019–20.¹⁶⁸

Goal 2: Achieve representation at all levels of government

2.120 The WBACC's goal to achieve representation at all levels of government was mapped against one performance criterion: 'lobbying of government and training of community members in issues affecting them'.¹⁶⁹

2.121 Telecommunications, postal services, elections, wages and per- and poly-fluoroalkyl substances contamination were key drivers for lobbying with the ACT and Commonwealth governments in 2018–19.¹⁷⁰ Lobbying efforts led to the inclusion of the Community in the National Broadband Network rollout.¹⁷¹ Discussions for a contractual agreement between Australia Post and the Council were expected to take place in early 2020.¹⁷² Other matters were not successfully addressed through lobbying during the reporting period.

Goal 3: Manage and maintain Aboriginal Land

2.122 The WBACC's goal to manage and maintain Aboriginal Land was mapped against five performance criteria:

- ensuring Fire Emergency Plan remains up to date;
- reducing and controlling weeds threatening traditional sources of bush tucker;
- reducing fuel consumption;
- engaging in land use planning; and
- maintaining cultural heritage.¹⁷³

2.123 Following a significant fire in the Jervis Bay Territory in late 2017, the WBACC consolidated its existing fire management practices and procedures in 2018–19.¹⁷⁴ The WBACC worked with Comcare to strengthen its emergency

166 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, pp. 83–84.

167 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, pp. 83–84.

168 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, pp. 83–84.

169 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, p. 85.

170 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, p. 85.

171 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, p. 85.

172 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, p. 86.

173 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, pp. 87–93.

174 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, p. 88.

management plan and coordinated with neighbouring communities to ensure that plans were complementary.¹⁷⁵ Throughout 2018–19 the Wreck Bay Fire Service conducted backburns, maintenance and drills to prepare for future fire seasons.¹⁷⁶

2.124 The NIAA provided grant funding, of an undisclosed amount, to the WBACC to employ three staff tasked with managing Bitou Bush and Sea Spurge.¹⁷⁷ While the annual report noted that eradicating the weeds entirely would be unlikely, the WBACC's efforts to control affected areas were successful during the reporting period.¹⁷⁸ The annual report noted that the WBACC intended to continue to pursue opportunities to acquire funding to manage Bitou Bush and Sea Spurge weeds.¹⁷⁹

2.125 The WBACC did not achieve its performance criterion aiming to reduce fuel consumption as fuel consumption increased in 2018–19 due to an increase in vehicle ownership and problems with invoices issued to the WBACC by the Department of Infrastructure, Regional Development and Cities.¹⁸⁰ The annual report noted that the WBACC intended to improve its performance for this criterion in the future by limiting the need for staff to travel, providing a mobile mechanic to those requiring equipment to be repaired and regular vehicle services.¹⁸¹

2.126 In 2018–19, the WBACC engaged a town planner to conduct a geotechnical assessment of possible sites for residential buildings and a new cemetery, as well as academics from the University of Wollongong to assist with research to properly identify the contamination of per- and poly-fluoroalkyl substances on cultural land use projects.¹⁸²

2.127 The WBACC successfully negotiated a four-year cultural heritage function agreement with Parks Australia and received funding to establish a Cultural Heritage Officer position in 2018–19.¹⁸³ The annual report noted the intention to develop plans for a cultural heritage centre in 2019–20.¹⁸⁴

Goal 4: Provide services to community members

2.128 The WBACC's goal to provide services to community members was mapped against five performance criteria:

175 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, pp. 88–89.

176 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, p. 89.

177 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, p. 89.

178 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, p. 90.

179 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, p. 90.

180 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, pp. 90–91.

181 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, p. 91.

182 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, pp. 91–92.

183 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, pp. 92–93.

184 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, p. 93.

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- improve housing;
 - update the town plan;
 - increase the uptake of services offered by the childcare centre;
 - improve recreation activities and facilities;
 - create opportunities for employment.¹⁸⁵

2.129 Following *Williams v Wreck Bay Aboriginal Community Council* [2019] the WBACC enlisted the assistance of Indigenous Community Volunteers to assist with its town plan.¹⁸⁶ This engagement assisted with the development a Home Ownership Implementation Strategy, which at the time of reporting was being considered by the government.¹⁸⁷ The annual report noted the WBACC's intention to establish 99 year leases in 2019–20 based on the ACT government's crown lease model.¹⁸⁸

2.130 In 2018–19, the WBACC sought to increase enrolments at its Gudjahgahmiamia childcare centre.¹⁸⁹ Although enrolment numbers remained at 22 at the end of the reporting period, the WBACC indicated its intention to implement marketing concepts devised by Gudjahgahmiamia in consultation with Price Waterhouse Coopers in 2019–20.¹⁹⁰

2.131 The WBACC took several steps to improve the community's recreation activities and facilities through the creation of a community vegetable garden, wellbeing programs for staff and a health program for women.¹⁹¹ Additionally, the Community's basketball courts, men's shed and community centre received upgrades, which led to increased socialisation between members of the Wreck Bay Community.¹⁹²

2.132 The WBACC's annual report noted that it engaged with a number of 'government schemes designed to assist people [to enter] the workforce', but did not specify what these schemes were.¹⁹³ The WBACC indicated that it had also applied for 'primary industry funding to facilitate ongoing employment of members of [the]

185 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, pp. 87–93.

186 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, pp. 95–96.

187 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, pp. 95–96.

188 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, pp. 95–96.

189 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, pp. 95–96.

190 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, pp. 95–96.

191 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, pp. 96–97.

192 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, pp. 96–97.

193 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, pp. 97–98.

weed control team' as well as funding from the NIAA for a 'caring for country ranger program', which it intends to pursue in the future.¹⁹⁴

Financial statements

2.133 The WBACC's annual report included financial statements, which were prepared as required by section 42 of the PGPA Act, and in accordance with section 17AD of the PGPA Rule and the *Australian Accounting Standards—Reduced Disclosure Requirements*.¹⁹⁵ The financial statements received an unqualified assurance report from the ANAO.

2.134 The WBACC reported an operating deficit of \$69 503 for 2018–19.¹⁹⁶ This result follows an operating deficit of \$74 706 for the previous financial year.¹⁹⁷ Total expenses for 2018–19 amounted to \$4.21 million, which arose from employee benefits, supplier costs, occupancy expenses, community grants and depreciation.¹⁹⁸

2.135 The WBACC is primarily funded by own-source revenue and grants from the Commonwealth government.¹⁹⁹ In 2018–19, the WBACC received \$2.18 million from the rendering of services, housing rentals, park leases, childcare fees and subsidies.²⁰⁰ Own-source revenue increased by approximately six per cent in 2018–19 from the previous financial year.²⁰¹ The Commonwealth government contributed \$1.95 million in funding as well as \$300 000 in land contributions.²⁰²

2.136 The financial statements recorded one contingency affecting assets and liabilities.²⁰³ The matter arose from the WBACC's High Court ruling in *Williams v Wreck Bay Aboriginal Community Council* [2019], which was at the time of reporting in mediation with the ACT Civil and Administrative Appeals Tribunal.²⁰⁴ The cost of this mediation is expected to be \$50 000.²⁰⁵

194 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, p. 98.

195 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, pp. 105–107.

196 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, p. 108.

197 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, p. 108.

198 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, p. 108.

199 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, p. 108.

200 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, pp. 108, 115.

201 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, pp. 108, 115.

202 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, pp. 108, 116.

203 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, p. 126.

204 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, p. 126.

205 Wreck Bay Aboriginal Community Council, *Annual Report 2018–19*, p. 126.

Committee view

2.137 The committee found the WBACC's annual report to be well-structured and informative. However, the report bore minor typographical errors throughout. The inclusion of explanations for any instances of non-compliance where necessary greatly assisted the committee's review. For the purposes of its report to the Senate, the committee considers the WBACC's annual report to be 'apparently satisfactory'.

Senator James Paterson

Chair

Appendix 1

Dates relating to the presentation of reports between 1 November 2019 and 30 April 2020

Report	Submitted to Minister	Received by Minister	Tabled in the Senate or presented out of sitting (*)	Tabled in the House of Representatives
PARLIAMENTARY DEPARTMENTS				
Parliamentary Budget Office—2019–20 Mid-Year Economic and Fiscal Outlook Snapshot	N/A	N/A	17/12/2019*	17/12/2019
Parliamentary Budget Office—National Fiscal Outlook: As at 2019–20 Budgets	N/A	N/A	27/11/2019*	27/11/2019
PRIME MINISTER AND CABINET PORTFOLIO				
Aboriginal Land Commissioner— Report for 2018–19	28/01/2020	04/02/2020	25/02/2020	25/02/2020
Anindilyakwa Land Council—Report for 2018–19	29/11/2019	13/12/2019	15/01/2020*	05/02/2020
Australian Institute of Aboriginal and Torres Strait Islander Studies—Report for 2018–19	23/10/2019	03/12/2019	10/02/2020	06/02/2020
Australian Public Service Commission—State of the Service Report 2018–19	14/11/2019	14/11/2019	26/11/2019	26/11/2019
Australian Public Service Commissioner—Report for 2018–19, including the report of the Merit Protection Commissioner—Correction	04/12/2019	04/12/2019	12/12/2019*	05/02/2020
Central Land Council—Report for 2018–19	10/10/2019	4/11/2019	27/11/2019	27/11/2019
Indigenous Australians—Closing the Gap—Ministerial statement by the Prime Minister (Mr Morrison), dated 12 February 2020	N/A	N/A	13/03/2020	13/03/2020
Indigenous Australians—Closing the Gap—Prime Minister’s Report—Closing the Gap 2020	N/A	N/A	13/03/2020	13/03/2020
Outback Stores Pty Ltd—Report for 2018–19	31/10/2019	12/11/2019	12/12/2019*	05/02/2020
Tiwi Land Council—Report for 2018–19	15/10/2019	22/10/2019	26/11/2019	26/11/2019
Torres Strait Regional Authority—Report for 2018–19	15/10/2019	22/10/2019	3/12/2019	3/12/2019
Workplace Gender Equality Agency—Report for 2018–19	31/10/2019	31/10/2019	3/12/2019	3/12/2019
Wreck Bay Aboriginal Community Council—Report for 2018–19	28/11/2019	13/12/2019	10/02/2020	06/02/2020

FINANCE PORTFOLIO				
Department of Finance—Campaign Advertising by Australian Government Departments and Agencies—Report for 2018–19	N/A	N/A	31/01/2019*	05/02/2020
Department of Finance—Consolidated financial statements for the year ended 30 June 2019—December 2019	12/11/2019	12/11/2019	11/12/2019*	05/02/2020
Department of Finance—Report on Advances Provided under the Annual Appropriations Acts for the year ended 30 June 2019	N/A	N/A	11/02/2020	11/02/2020