

**SENATE FOREIGN AFFAIRS, DEFENCE
AND TRADE**

LEGISLATION COMMITTEE

**SCRUTINY OF ANNUAL REPORTS
NO. 1 OF 1997**

June 1997

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

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CHAPTER 1

INTRODUCTION

1.1 Following the restructure of the Senate committee system on 10 October 1994, the examination of annual reports became the responsibility of Senate Legislation Committees. This Committee is responsible for examining annual reports of departments and agencies within two portfolios: Foreign Affairs and Trade, and Defence (including the Department of Veterans' Affairs).

1.2 Under a Senate resolution of 24 August 1994, the Committee is required to report on annual reports tabled by 31 October each year by the tenth sitting day of the following year, and on reports tabled by 30 April each year by the tenth sitting day after 30 June of that year. Usually, this enables Senators to consider the particulars of proposed expenditure at the Budget Estimate hearings in the light of portfolio performance in the previous year (as set out in annual reports) and to examine aspects of annual reports in more detail with the Minister and officers during the Additional Estimates hearings of Legislation Committees.

1.3 In this reporting period, however, Budget Estimate hearings were held in late September and Supplementary hearings in the third week of October 1996, just prior to the tabling date for annual reports. For this reason, draft annual reports were considered at these hearings.

1.4 So that any matters arising from the discussion of final annual reports at the Additional Estimates hearings might be taken into account in this review, the Committee sought an extension of time from 26 February 1997, the original reporting date for annual reports tabled by 31 October 1996, to 25 March 1997. Subsequently, the Senate granted the Committee a further extension of time to 31 July 1997 to present its report.

1.5 The following annual reports are examined by the Committee in this review:

Annual Reports of Departments

Department of Defence
Department of Foreign Affairs and Trade
Department of Veterans' Affairs

Reports of Statutory Authorities

Defence Portfolio

Australian Military Forces Relief Trust Fund
The Australian War Memorial
Defence Force Remuneration Tribunal
Defence Force Retirement and Death Benefits Authority
Judge Advocate General
Military Superannuation and Benefits Board of Trustees No. 1
National Treatment Monitoring Committee (NATMOC)

Repatriation Commission (with the Department of Veterans' Affairs)
 Repatriation Medical Authority
 Royal Australian Air Force Welfare Trust Fund
 Royal Australian Navy Relief Trust Fund
 Veterans' Review Board

Foreign Affairs and Trade Portfolio

Australia-Japan Foundation
 Australian Centre for International Agriculture Research
 Australian Trade Commission (Austrade)

Reports of Non-Statutory Authorities

Australian Antarctic Foundation
 Australia-Korea Foundation

Assessment of Annual Reports

1.6 As noted above, due to the timing of Estimates hearings (just prior to the 31 October 1996 submission date for annual reports), draft annual reports were considered during the Budget Estimate hearings. Consideration of final reports took place at the Additional Estimates hearings on 27 and 28 February 1997. This review takes into account comments on annual reports, and on matters relating to them, made by Committee members during both the initial and Additional Estimates rounds, as required by the Senate resolution of 24 August 1994.¹

1.7 The annual reports have been examined by the Committee to determine whether they are 'apparently satisfactory', as required by the Senate resolution of 24 August 1994. In the process of assessment, the Committee has considered whether the reports comply with the relevant requirements for the annual reports of departments or authorities.

1.8 Departments are required to adhere to the *Requirements for Departmental Annual Reports* (revised) issued by the Department of the Prime Minister and Cabinet and approved by the Joint Committee of Public Accounts in March 1994.² The aim of the amended *Guidelines* was to make reports 'the key accountability document for reviewing actual outcomes for the past financial year'. Together with Portfolio Budget Statements and Portfolio Additional Estimates Statements, annual reports are to enhance Government communication with Parliament and so 'to make more meaningful their accountability relationships'.

1 Draft annual reports were largely representative of the final volumes except in specific incidences. Where differences resulted from comments made during the initial hearings these have been recorded in this review.

2 From now on referred to as *Requirements* (1994).

1.9 The amendments required that annual reports should:

- focus on outcomes, including social justice outcomes;
- provide clear links between strategies, outcomes and program objectives; and
- be concise, readily understandable and balanced.

1.10 On 18 March 1994, the Department of Prime Minister and Cabinet informed departments that:

Commonwealth authorities whose operations are similar to those of departments should consult these revised requirements [for Departmental annual reports] and comply with them—as well as with the 1982 *Guidelines for the Content, Preparation and Presentation of Annual Reports by Statutory Authorities*—as far as is appropriate to do so.

Requirements for non-statutory authorities were outlined in the Senate Standing Committee on Finance and Government Operation's report tabled in August 1986, and modified in 1987. Statutory authorities whose operations are not similar to those of departments are to follow the *Guidelines for the Content, Preparation and Presentation of Annual Reports by Statutory Authorities* (1982).³

General Comments on the Annual Reports

1.11 The Committee was pleased to observe improvements to the already high standard of reporting noted in its 1996 review of annual reports. The majority of reports are well designed and effectively structured to meet reporting requirements. Coverage of activities and outcomes is, in most cases, comprehensive, text succinct and, notably, the standard of performance reporting much advanced on that in reports of the previous reporting period.

1.12 In particular, the Committee notes that the Departments have shown a commitment to performance reporting principles in their refinement of performance measures which now more effectively demonstrate outcomes. Overall, Department annual reports now have a pleasing coherency resulting from greater consistency of presentation, with information organised to cogently address performance reporting requirements. Some weakness was noted in the reporting of internal and external scrutiny mechanisms. The impact of these on program outcomes should be closely assessed in the reports if they are to fully inform Parliament. More candid and comprehensive reporting on problematic elements of project management, as experienced in restructuring or implementing program initiatives, would also improve these documents as vehicles of department accountability.

1.13 In consideration of the reports of statutory and non-statutory bodies, it was observed that there was an overall improvement by reporting bodies in the use of the *Guidelines* (1982) and *Requirements* (1994) compared with previous years. The Committee noted that a number of larger statutory authorities continue to adopt an inclusive approach to reporting, responding to both *Guidelines* and *Requirements* as appropriate. Despite these improvements, several authorities failed to report on certain aspects of their organisation as required by the *Guidelines*.

3 From now on referred to as *Guidelines* (1982).

1.14 A number of authorities experienced difficulty in determining which of the reporting requirements were most relevant to, or would most assist explanation of, their particular activities and functions. Some statutory authorities, for example, used the *Requirements* (1994) without consulting the *Guidelines* (1982), contrary to the recommendations of the Department of Prime Minister and Cabinet. These authorities failed to clarify a number of aspects of their work which the *Guidelines* would have called into consideration.

1.15 Subject to the comments made in the individual assessments following in the body of this report, the Committee found all the annual reports considered in this reporting period to be 'apparently satisfactory'.

CHAPTER 2

ANNUAL REPORTS OF DEPARTMENTS

Department of Defence

2.1 The *Defence Annual Report 1995-1996* was tabled in the Senate on 30 October 1996.

2.2 In its *Scrutiny of Annual Reports No. 1 of 1996*, the Committee found the Department of Defence report for 1994-95 to be well organised and thorough in its coverage of Defence activities. However, criticisms were made of the standard of performance reporting in the volume.¹ The 1995-96 report again presents as a well organised document but this time is improved by the Department's enhanced program evaluation.

2.3 This improvement is seen in the expanded content of the introductory Part: 1 Overview. The first section of this Overview contains the Defence Mission and Vision statements and provides the reader with a concise introduction to current Defence policy, explaining the generation of Australia's strategic concerns against the background of regional and world events. The eight objectives necessary to realise the Defence 'mission' and 'vision' and to provide a long term direction and focus for the Department's day-to-day activities are also identified.² In the second section of the Overview, 'Key Developments and Achievements', Defence program initiatives are broadly tested against these objectives and overall operational successes and problems experienced during the reporting period are discussed.

2.4 The Committee's assessment of detailed performance information, against objectives and performance measures, was aided by the explanation in the Overview of the relationship of Department objectives to policy and programs. This is a notable improvement on reporting in the previous Defence Annual Report.³ Performance measures provide criteria for qualitative and quantitative assessment while outcomes describe strategies for implementation and, in most cases, assess the degree of success of these strategies. The Committee commends the Department for this evolution in its performance reporting and, particularly, in its formulation of performance measures.

2.5 Closer examination of Part 2 of the report, however, reveals omissions in discussion of some performance outcomes. During the Budget and Supplementary Estimates hearings of Spring 1996, extensive questions were asked on sexual harassment, women's issues and child care arrangements in the Defence Forces. In most cases, the requested breakdowns of information were not present in the draft report nor in the PBS. In the final report, although equity issues are broadly addressed for each service, discussion of these subjects is minimal.

1 *Scrutiny of Annual Reports No. 1 of 1996*, (July 1996), paragraph 2.17, p. 7.

2 *Defence Annual Report 1995-1996*, pp 1-6.

3 In its assessment of that report the Committee took Sub-program 2.2—Executive as an example of problems noted in performance reporting. It observed that the performance measures did not allow assessment of program outcomes which were in themselves mere inventories of activities and events, weakly linked to the measures. See *Scrutiny of Annual Reports No. 1 of 1996*, pp 5-6.

2.6 Moreover, the outcomes of a number of major internal reviews concluded during the reporting period and the impacts on these matters, are either not described or are given scant attention in the report. For example, the results of the major review of the role of the Divisional System in the Navy and the review of the management of the RAN's Tactical Electrical Warfare Support Section (RANTEWSS), both of which impacted on the handling of harassment cases in the Services, are not apparently recorded in the report. Similarly, an important report on barriers to women's career advancement in the ADF, 'Women in the Australian Defence Force', is merely described as 'completed', without any further details provided.

2.7 The Committee also noted that the results of some external inquiries which impacted on program outcomes were not referred to in performance statements.⁴ While a number of sub-programs do report these effectively, the Committee observed that the ongoing consideration of the results of the Defence Ombudsman's inquiry into the incidence of sexual harassment in the Air Force, impacting on Air Force personnel branch outcomes, is not cited at the relevant point in the report.

2.8 The Committee recommends that the Department address these omissions when reporting performance outcomes in future annual reports. Unless important internal and external scrutiny mechanisms are reported, with the impact of their recommendations on program initiatives described at the appropriate place, the report is not giving the 'balanced and candid account of both successes and shortcomings' which the reporting requirements demand.⁵

2.9 On a more positive note, the Committee observes that, in contrast to sections of the previous report, there is a correlation between statistics provided in the text and tables in the report, although some criticisms about the layout of the tabular material were made at the Budget Estimates hearings 1996.⁶ The report also has comprehensively complied with requirements for appendices. Accompanying the report is a substantial volume of *Defence Information on Request* which is complete, although cross-references to the annual report were not accurate. This presentational problem was also noted in the report itself where there was inaccurate page attribution in parts of the table of contents and in the index.

2.10 Overall, the Department has complied with requirements for departmental annual reports in a publication which, despite some omissions, shows a marked improvement in the formatting and cogency of its performance reporting.

4 The requirements encourage cross-referencing of information provided in the internal and external scrutiny sections of the report to other relevant sections. See the *Requirements* (1994) p. 4.

5 See *Requirements* (1994) p. 5.

6 In particular, Committee members had problems assessing information presented in the annual report against that in the Portfolio Budget Statements issued by the Department. Thus, for example, Senator Margetts inquiring about Defence Force capability development, found that the Defence annual report and PBS were 'not in an easy to read format'. See *Senate Committee Hansard*, 17 September 1996, p. 10.

Foreign Affairs and Trade

2.11 The *Foreign Affairs and Trade Annual Report 1995-96* was tabled in the Senate on 29 October 1996.

2.12 The Department has produced an attractive and well-structured report providing a comprehensive coverage of its activities during 1995-96. The text is supported by tables and graphs providing clear visual explanation, well integrated into the report.

2.13 The report is an improvement on the one for 1994-95, most notably having consistent organisation of information throughout the volume. An important feature of the report's new format is the listing of performance measures for each program or sub-program, where appropriate.⁷ These measures are then addressed in a 'Performance Summary' which in turn is explained, point by point, in the following detailed account of branch initiatives and achievements. The Committee congratulates the Department on this greater degree of compliance with the requirements for performance reporting and, in particular, for its formulation of performance measures which accurately interpret program functions.

2.14 It is disappointing to note, therefore, that reporting on equity matters are not evidently integrated into the new format. In the report's Social Justice and Equity overview, the Department records the formal approval of its new Equal Employment Opportunity program for 1995-98. The program aims to more effectively evaluate the EEO performance of the Department's posts, divisions and offices by assessing them against performance measures designed to address EEO sub-program objectives. The new program also provides qualitative indicators against which employment and career development of EEO identified groups can be assessed.

2.15 On turning to Sub-program 5.2.1—Personnel, however, the Committee noted that while the Department presents an impressive profile of EEO activities and achievements it fails to articulate the new measures or to assess achievements against them. Nor is there evidence that these EEO indicators have impacted upon measures used to assess performance outcomes in other relevant sub-programs of the report. The Committee would like to see outcomes assessed against these indicators in future annual reports so that reporting requirements for Department social justice and equity outcomes are fully met.⁸ A further weakness of the report is the less than candid discussion of areas where problems have occurred.

2.16 The Committee is pleased to observe that some recommendations made on the draft annual report at the Budget Estimates hearings 1996 have been implemented in the final report, thus improving Department accountability in a number of instances. In particular, a Committee member noted that the draft report omitted discussion of Market Australia, a program designed to promote and disseminate information about Australian industry

7 Inconsistent presentation of performance information and, particularly, the absence of performance measures for most sub-programs were major criticisms of the last two Foreign Affairs and Trade reports. See Committee comments in its review of the *Department of Foreign Affairs and Trade Annual Report 1994-95*, *Scrutiny of Annual Reports No. 1 of 1996*, paragraph 2.21, p. 8.

8 The *Requirements* (1994) ask for a concise corporate perspective of equity action taken and for reporting of equity outcomes as part of the assessment of each program's performance, p. 3.

achievements in East Asia, and which had terminated on June 1996.⁹ In the final report, the outcomes of the program are now recorded and assessed under Sub-program 1.9.4. Discrepancies between outlay figures on services to Australian government agencies were also noted at the hearings but these too have been corrected.¹⁰

2.17 Suggestions were also made for inclusion of new material in future annual reports. While reporting on AusAID Non-government Organisations (NGOs) activities presents a good example of external scrutiny reporting, a Committee member suggested that reporting might be improved if a list of NGOs were included as an appendix to the next annual report, if this was feasible.¹¹ Another member requested that the annual report should also record savings projected to be made on delivery of Department IT platforms.¹²

2.18 The Committee considers that, on the whole, the Department of Foreign Affairs and Trade has submitted an annual report which meets the *Requirements* (1994). The Department has worked to produce an informative account of its activities with improved, and more consistently formatted, performance reporting throughout. The degree of compliance with the requirement for 'candid and balanced' performance reporting could, however, be enhanced by fuller and more objective assessment of the outcomes of program projects and initiatives, especially those that the Department itself identifies as being of strategic importance to Australian interests.

Repatriation Commission and the Department of Veterans' Affairs

2.19 *The Annual Reports of the Repatriation Commission and the Department of Veterans' Affairs 1995-1996* were tabled as a single volume in the Senate on 29 October 1996.

2.20 The reports of the Defence Services Homes Scheme and the Office of Australian War Graves are contained in the Department of Veterans' Affairs report. A financial statement on the operation of the Lady Davidson Repatriation Hospital is presented as an appendix while the operational report of the Repatriation Hospital is included in the Health Program segment of the report.

2.21 Last year, the Department and Commission's report received the Institute of Public Administration Australia (IPAA) Award for the best annual report of the 1994-95 reporting period. It was highly commended for its performance reporting, particularly for aiming to provide a context for judging current performance (previous trends) and for explanation of changes in performance.

2.22 In the 1995-96 reporting period the Department implemented major changes, particularly in the compensation claims, medical and counselling services areas. At the same time, it was subject to the new Government's funding cut of 2 per cent in running costs, across the board. Explanations of Department restructuring and of the resulting generation of new program initiatives, reported to be evolving in response to changing client needs, are

9 Senator Schacht, *Senate Committee Hansard*, 24 September 1996, p. 365.

10 Senator Schacht, *Senate Committee Hansard*, 24 September 1996, p. 398.

11 Sub-program 6.1, pp 297-8 and Senator Schacht, *Senate Committee Hansard*, 23 September 1996, p. 241.

12 Senator Hogg, *Senate Committee Hansard*, 24 September 1996, p. 389.

comprehensive.¹³ For each sub-program tables integrated into the text of the report provide budget summaries for the 1994-95 and the current reporting period and show savings which go to meet funding reductions. Targets set in 1994-95 have invariably been met or substantially progressed, including improvements in program delivery. Outsourcing and partnerships with the private sector have advanced Government directives.

2.23 The Committee commends the Department on its obvious achievement and competent explanation of the issues, well interpreted by strategically placed diagrams and charts. A criticism is that the reporting of any operational problems encountered when implementing change is minimal.

2.24 In August 1996, the Australian National Audit Office reported on the reform of a major repatriation program handled by the Department.¹⁴ The ANAO recommended that the Department further develop its program reporting, particularly its performance indicators, so that the results of program reforms could be more effectively evaluated in the Department's 1995-96 annual report. The Department undertook to do this.¹⁵

2.25 The Department has met these expectations in this reporting period, by developing more focussed performance indicators to assess Department outcomes. However, the Committee notes that these are presented in a separate section of the report ('Performance and Outcomes') away from the explanation of program objectives and descriptions. This makes assessment of the measures against the objectives difficult.

2.26 The Committee considers the *Annual Reports of the Repatriation Commission and Veterans' Affairs 1995-96*, as a whole, to be a comprehensive document that meets fully the *Requirements for Department Annual Reports*.

13 Ageing population as reported in 'Overview and Corporate Strategies', *The Annual Reports of the Repatriation Commission and the Department of Veterans' Affairs 1995-96*, pp 24-5, 92.

14 *Compensation Pensions to Veterans and War Widows, Department of Veteran's Affairs, Australian National Audit Office Audit Report No. 3, 1996-97. Follow-up Audit.* (August 1996). In the report, the Department's response to the recommendations of an audit conducted in 1992 was favourably assessed.

15 *Audit Report No. 3*, p. xv.

CHAPTER 3

ANNUAL REPORTS BY STATUTORY AND NON-STATUTORY AUTHORITIES

STATUTORY AUTHORITIES

Australia-Japan Foundation

3.1 The *Australia-Japan Foundation Annual Report 1995-1996* was tabled in the Senate on 30 October 1996.

3.2 The Committee finds that this report complies with all requirements outlined in the *Guidelines* (1982) for statutory bodies. The information is presented in a clear and concise manner and is well organised.

3.3 The Foundation was established to strengthen and develop relations between Australia and Japan. The Foundation, as in the previous year, continued to focus on activities which inform the Japanese people about Australia. The Committee notes that all activities were outlined, the most notable activities being the *Discovering Australia* teachers' kit and the Australia Web Site. Statistics provided in the report illustrate that both projects are proving highly successful.

3.4 The report supplies a complete list of grants and detailed financial statements which were examined by the National Audit Office and found to be in accordance with the *Guidelines for Financial Statements of Commonwealth Authorities*.

Australian Centre for International Agricultural Research (ACIAR)

3.5 The 1995-96 annual report of the Australian Centre for International Agricultural Research was tabled in the Senate on 29 October 1996.

3.6 The Australian Centre for International Agricultural Research has produced a very informative document that is well structured, concise and clearly presented. This report not only complies with the *Guidelines* (1982) for statutory authorities but is also in accordance with the reporting requirements for departmental annual reports.

3.7 The Authority provides a thorough account of each program and supplies comprehensive information on achievements measured against performance indicators. The Committee notes that there were many significant breakthroughs made during the year. These achievements were also recognised by a member of the Committee during the Budget Estimates hearings of Spring 1996.¹

3.8 The Committee notes that the Centre provides a detailed account of the operational problems it is experiencing. Two problems involving the Indian and Bangladesh Governments have resulted in project delays in these countries. The Centre continues to

1 Senator Schacht, *Senate Committee Hansard*, 23 September 1996, p. 267.

negotiate on these matters with both governments. These and other operational problems have been disclosed and are in accordance with section (vii) of the *Guidelines* (1982).

3.9 Overall, the Committee commends the Australian Centre for International Agricultural Research for a coverage of its activities for 1995-96, well supported by comprehensive detailed appendices supplying information on EEO, Occupational Health and Safety (OHS) Industrial Democracy and financial matters.

Australian Military Forces Relief Trust Fund

3.10 *The Australian Military Forces Relief Trust Fund Annual Report 1995* was tabled on 18 June 1996. The report is submitted in accordance with section 34 of the *Services Trust Funds Act 1947*.

3.11 The Trust Fund provides loans or grants to members of the Defence Force who have served in the Army, or in association with it, and their dependants. This report provides essential information on the function, services and financial arrangements of the Australian Military Forces Relief Trust Fund for the reporting period.

3.12 Given the nature of the Trust Funds' activities, the Committee finds that the report adequately complies with all reporting requirements for statutory authorities.

Australian Trade Commission (Austrade)

3.13 *The Australian Trade Commission Annual Report 1995-96* was tabled in the Senate on 29 October 1996.

3.14 Austrade has submitted a well designed report presenting a concise yet thorough explanation of its policies, priorities and activities of the reporting period. The 1995-96 report's format is consistent with that of the 1994-95 report, commended in this Committee's *Scrutiny of Annual Reports No. 1 of July 1996*.² The authority's systematic approach to report presentation greatly assisted the Committee in its evaluation of the authority's performance over the period under review.

3.15 The report records that 1995-96 was a period of 'achievement, progress and change' for Austrade.³ The structure of the report ensures that the reader is fully informed of all the contributing factors. First, a full explanation of Austrade's organisation and ethos (Corporate Overview) is given; second, there is rigorously focussed performance reporting on the Authority's two sub-programs (Tracking Our Performance: Sub-programs 7.1—International Business Services and 7.2—Financial Services); and third, full explanation of the structure and functions of Austrade's international network of market advisers and information systems (Reaching Out to the World—Austrade's Global Network). The text is succinct and clear in its exposition of the matters at hand, with reporting on internal and external scrutiny mechanisms well integrated. The whole is supported by well designed tables and graphs and

2 *Scrutiny of Annual Reports No.1 of 1996*, July 1996, p. 14.

3 'Making a Difference —Corporate Overview', *Australian Trade Commission Annual Report 1995-96*, p. 20.

by the required financial statements and appendices. The accurate table of contents and indexes made the information in the document easily accessible.

3.16 The Committee commends Austrade for its production of a thoroughly professional publication which shows commitment to focussed performance reporting, particularly in its interrogation of sub-program outcomes. Like its predecessor, this report complies with the *Guidelines* (1982) and addresses the *Requirements* (1994).

The Australian War Memorial

3.17 *The Australian War Memorial Annual Report 1995-96* was tabled in the Senate on 29 October 1996. It submits its report in accordance with section 36 of the *Australian War Memorial Act 1980* and subsection 25(6) of the *Public Service Act 1922*.

3.18 The Australian War Memorial (AWM), although a statutory body, has provided a report that complies with the reporting *Requirements* (1994). It is a comprehensive document that provides clear and concise information, is well structured and well presented.

3.19 The AWM continues to deliver a high standard in performance reporting. The report provides a comprehensive assessment of activities and outcomes against performance indicators for each sub-program. Comments on operational problems are made where relevant and changes relating to these matters are also disclosed. The report is further complemented by full discussion of internal and external audits of Memorial operations, that were carried out during the assessment period. The Committee commends the Australian War Memorial for producing a high quality document.

Defence Force Remuneration Tribunal

3.20 *The Defence Force Remuneration Tribunal Eleventh Report 1995-96* was tabled in the Senate on 18 September 1996.

3.21 The eleventh report of the Defence Force Remuneration Tribunal meets the reporting requirements for statutory bodies. The Tribunal has followed the format set by previous reports and has produced a document that is informative, well organised and easy to use.

3.22 The report provides a brief yet thorough account of reviews held during the reporting period. The Tribunal reports on outcomes resulting from these reviews and discloses any difficulties occurring between the Australian Defence Force and the Commonwealth during negotiation processes.

3.23 The Committee commends the Tribunal on providing a compliance index with its eleventh report. The index, however, has an incorrect page reference and is lacking a number of section headings. A compliance index that follows reporting requirements set for statutory bodies, rather than for departments would have been better suited to this report.

Defence Force Retirement and Death Benefits (DFRDB) Authority

3.24 The *DFRDB Authority Annual Report 1995-96* was tabled in the Senate on 30 October 1996.

3.25 The DFRDB Authority has produced a quality information document which is structured to respond to the *Guidelines* (1982).⁴ The report is well designed with text fully complimented by accompanying diagrams and charts relevantly placed.

3.26 The Committee is disappointed to note, however, that the recommendation made in its review of the Authority's 1994-95 report to sharpen the focus of performance reporting by development of additional performance measures has not been addressed.⁵ The Committee also observes that the single performance measure cited, the targeted time frame for processing benefits, has been changed without explanation in the report. Where the previous report targets 90 per cent within eight working days, the current report has 85 per cent to be achieved within the same period. This is a small variation but an explanation would have been helpful. Any operational problems impacting on the Authority's capacity to process benefits should also have been mentioned here.

3.27 Overall, the *DFRDB Authority Annual Report 1995-96* meets the *Guidelines* it aims to address but lacks some information (social justice) and useful features, such as a compliance index. These were included in the Authority's previous report.

Judge Advocate General (JAG)

3.28 The *Judge Advocate General Defence Force Discipline Act 1982, Report for the Period 1 January to 31 December 1995* was tabled in the Senate on 21 August 1996. The enabling legislation is the *Defence Force Discipline Act 1982*.

3.29 The report is an informative document, produced in a clear and simple format. Again, the Committee's review of the report was assisted by the inclusion of a compliance index.⁶ The JAG has provided concise but detailed information on major activities, achievements and operational problems that have occurred during the reporting year.

3.30 The Committee finds that the Judge Advocate General annual report complies with the reporting requirements for statutory bodies as outlined in the 1982 *Guidelines*.

4 The 1994-95 annual report, by contrast, was structured to meet the *Requirements* (1994). See *DFRDB Authority Annual Report 1994-95*, p. 42.

5 *Scrutiny of Annual Reports No.1 of 1996*, July 1996, pp 16-7.

6 *Ibid*, p. 18.

Military Superannuation and Benefits Board of Trustees No. 1

3.31 *The Military Superannuation and Benefits Board of Trustees No.1 Annual Report 1995-96* was tabled in the Senate on 30 October 1996.

3.32 The Military Superannuation and Benefits Board of Trustees was established on 1 October 1991 to replace the Defence Force Retirement and Death Benefits Scheme for new contributors. This scheme was implemented so as to improve the standard of superannuation arrangements for Australian Defence Force personnel.

3.33 The Committee finds that the Military Superannuation and Benefits Board of Trustees annual report has complied with all but one of the reporting requirements for statutory bodies. The Board has failed to report on staffing matters. In previous reports, the compliance index (which has been omitted from this report) provided a reference where information on staffing matters were located.

3.34 The report is well presented, clearly written and well supported by tables and charts. The Board seems, again, to have focussed more on a descriptive and statistical overview rather than on performance reporting.⁷ However, where performance reporting is provided, under 'Investment', for example, it appears sound.

3.35 The Committee notes that the Audit Committee reviewed the outcomes of the 1994-95 financial statement audit process and the strategy proposed for the 1995-96 financial statement process. The outcome of this assessment has led to improvements in fund management which are described in the report.

National Treatment Monitoring Committee (NATMOC)

3.36 *The National Treatment Monitoring Committee Annual Report 1995-96* was tabled in the Senate on 31 October 1996. NATMOC operates under section 90A of the *Veterans' Entitlements Act 1986*.

3.37 The Authority has reported clearly on current activities and has highlighted operational problems that have occurred. The Committee noted that a comprehensive account of subsidiaries has also been provided.

3.38 NATMOC has produced a concise, well written and well organised document. The annual report meets the reporting requirements set in the *Guidelines* (1982).

Repatriation Medical Authority

3.39 *The Repatriation Medical Authority Second Annual Report 1995/6* was tabled in the Senate on 30 October 1996. The report is submitted pursuant to an amendment made on 30 June 1994 to the *Veterans' Entitlements Act 1986*.

3.40 The Repatriation Medical Authority (RMA) provides a sound outline of its activities and outcomes achieved over the reporting period. The Committee notes that RMA members have been appointed to an expert committee researching into the incidence of spina bifida

7 Ibid, p. 19.

amongst children of Vietnam Veterans. The expert committee, however, has not yet reported on this matter.

3.41 The report also provides a good overview of the organisation and its functions, as well as an informative table on the statement of principles approved for particular kinds of injuries and deaths determined over the 1995-96 period.

3.42 The Authority's second annual report is written in a clear and concise manner and complies with the *Guidelines for the Content, Preparation of Annual Reports by Statutory Authorities* (1982).

Royal Australian Air Force Welfare Trust Fund

3.43 *The Royal Australian Air Force Welfare Trust Fund Annual Report 1995* was tabled in the Senate on 18 June 1996.

3.44 The Air Force Welfare Trust Fund provides loans or grants to members and ex-members of the service and their dependants in need. This report records that the level of lending for 1995 was slightly down on the previous reporting period due to interruptions resulting from the move of the Fund administration from Melbourne to Canberra. All but one of the Trustees of the Board were Melbourne-based and subsequently tendered their resignations to allow appointments in the new location from 1 January 1996. Despite these interruptions, the Fund reports that every request for assistance was met.

3.45 The Committee finds that the report provides all required information in a simple and effective format, clearly interpreted by graphs. It thus adequately complies with all reporting requirements for statutory authorities.

Royal Australian Navy Relief Trust Fund

3.46 *The Royal Australian Navy Relief Trust Fund: Report by the Trustees* was tabled in the Senate on 25 June 1996. The Trustees of the Fund submit their report under the terms of section 34 of the *Services Trust Funds Act 1947*.

3.47 The Fund provides relief to serving members and their families, as well as distressed ex-members and their dependents, who require assistance either by means of grants or interest-free loans. Its report offers a breakdown of grant and loan categories as well as operating, finance and cash flow statements. All other information relating to establishment and administration of the fund is provided as required.

3.48 Given the nature of the Trust Fund's activities the Committee finds that the report adequately complies with all reporting requirements for statutory authorities.

Veterans' Review Board

3.49 The *Veterans' Review Board Annual Report 1995-96* was tabled in the Senate on 15 October 1996.

3.50 This annual report follows the effective reporting format which the Veterans' Review Board has employed to meet reporting requirements in previous annual reports.⁸ It presents a comprehensive assessment of the authority's activities and is forthright in its reporting of operational problems which have impacted on service delivery during the period. There is frank appraisal of outcomes by performance measures nominated in the last report and strategies devised by the Board to address difficulties experienced are fully explained. Full explanation of court decisions and appeals is also provided. The required financial statements plus appendices, as well as access aids, such as the compliance index, further add to its quality reporting profile.

3.51 The Committee commends the Veterans' Review Board for submitting a report which is in complete compliance with the *Guidelines for the Content and Presentation of Annual Reports for Statutory Bodies* (1982).

NON-STATUTORY AUTHORITIES

Australian Antarctic Foundation

3.52 The *Australian Antarctic Foundation Annual Report 1995-96* was tabled in the Senate on 31 October 1996. The Foundation is required to submit an annual report under its establishing terms of reference.

3.53 The Foundation reports on a period during which it was able to considerably enhance Australia's international reputation in promoting conservation, scientific investigation of and public knowledge about Antarctica and the Southern Ocean. Notably, the Foundation records that it was able to foster international co-operation in scientific endeavours, particularly with Russia and China. The report provides concise yet comprehensive accounts of the range of Foundation projects and initiatives, fully disclosing associated financial commitments in context. This information is supplemented by a section on additional grants made, and by the required financial statements which conclude the report.

3.54 The Committee notes that this is the second year of the Foundation's reduced operation, being administered by the Tasmanian government with additional funding from the Department of Foreign Affairs and Trade. The Chairman's overview reports that funding from the Department will not be allocated in the 1996-97 period, and hence the Foundation's operations must cease until alternative funding is found. This final report from the Foundation is in complete compliance with the *Guidelines for the Content and Presentation of Annual Reports for Statutory Bodies* (1982).

8 The formatting of the publication has consistently received Committee commendation. See *Scrutiny of Annual Reports No.1 of 1996*, July 1996, p. 20.

Australia-Korea Foundation

3.55 The *Australia-Korea Foundation Annual Report 1994-95* was tabled in the Senate on 25 June 1996. The Australian-Korea Foundation is a non-statutory body established by the Australian Government in May 1992. It is not required to submit an annual report but follows the practice of other bilateral foundations within the Department of Foreign Affairs and Trade.

3.56 The Foundation reports that its third year of operation, the 1994-95 reporting period, saw a dramatic increase in spending in the implementation of a strong bilateral program of activities. This program grew out of the guidelines and strategic action plan devised during the organisation's first two years.

3.57 The Foundation report records considerable development in the relationship between Australia and Korea over the period. Korea is rated as Australia's fourth largest trading partner, with two-way trade increasing from \$5.6 billion in 1993-94 to \$7.3 billion in 1994-95. Co-operation in regional economic and security matters resulted from meetings between Australian and Korean leaders and senior government officials, both at international conferences and through visits between the countries. The Foundation also reports extensively on its work in fostering cultural and educational exchange through grants and project initiation schemes.

3.58 The Committee finds this report is well designed and comprehensive in its coverage of all aspects of the Australia-Korea Foundation's activities. It complies with all reporting requirements for non-statutory bodies.

Senator Troeth
Chair
Legislation Committee