
Foreign Affairs, Defence and Trade Legislation Committee

Annual reports (No. 2 of 2005)

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Preface

Introduction

1.1 The Committee is responsible for examining annual reports of departments and agencies within two portfolios: Defence (including the Department of Veterans' Affairs), and Foreign Affairs and Trade.¹

1.2 Under Standing Order 25 (21), 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.

1.3 The standing order states:

Annual report of departments and agencies shall stand referred to the legislation committees in accordance with an allocation of departments and agencies in a resolution of the Senate. Each committee shall:

a) examine each annual report referred to it and report to the Senate whether the report is apparently satisfactory;

b) consider in more detail, and report to the Senate on, each annual report which is not apparently satisfactory, and on the other annual reports which it selects for more detailed consideration;

c) investigate and report to the Senate on any lateness in the presentation of annual reports;

d) in considering an annual report, take into account any relevant remarks about the report made in debate in the Senate;

e) if the committee so determines, consider annual reports of departments and budget-related agencies in conjunction with examination of estimates;

f) report on annual reports tabled by 31 October each year by the tenth sitting day of the following year, and on annual reports tabled by 30 April each year by the tenth sitting day after 30 June of that year;

g) draw to the attention of the Senate any significant matters relating to the operations and performance of the bodies furnishing the annual reports; and

h) report to the Senate each year whether there are any bodies which do not present annual reports to the Senate and which should present such reports.

¹ See appendix 1 for a list of all departments and agencies under these portfolios.

Role of annual reports

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

Assessment of annual reports

1.5 The annual reports are examined by the Committee to determine whether they are timely and ‘apparently satisfactory’.² The Committee considers whether the reports comply with the relevant requirements for the preparation of annual reports of departments and authorities.

1.6 The requirements are set down in the following instruments:

- for portfolio departments: *Public Service Act 1999*, subsections 63(2) and 70(2), and the *Requirements for annual reports for departments executive agencies and FMA Act bodies*, Department of Prime Minister and Cabinet, June 2003;
- for Commonwealth authorities and companies: the *Commonwealth Authorities and Companies Act 1997*; in particular, the *Commonwealth Authorities and Companies (Report of Operations) Orders 2002*; and
- for non-statutory bodies: the guidelines are contained in the Government response to the report of the Senate Standing Committee on Finance and Government Operations on Non-statutory bodies, Senate *Hansard*, 8 December 1987, vol s.124, pp. 2643–45 (requirements were modified in 1987).

Excerpts of the reporting requirements are at appendix 3.

General comments on the annual reports

1.7 The following annual reports have been examined by the Committee:

Defence portfolio

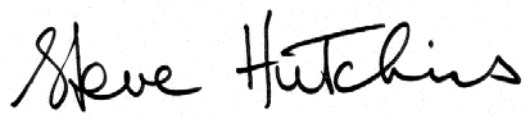
Defence Force Retirement and Death Benefits Authority
Judge Advocate General

Foreign Affairs and Trade portfolio

Australia–Korea Foundation

2 See appendix 2 for a compliance table of the reports referred to the Committee.

1.8 The Committee found all reports to be generally of a high standard. They effectively described the function, activities and financial positions of the various agencies. There were no comments in the Senate on any of these reports. The Committee therefore finds all of the annual reports to be “apparently satisfactory”.

A handwritten signature in black ink that reads "Steve Hutchins". The signature is written in a cursive style. To the right of the signature is a vertical red line.

Senator Steve Hutchins

Deputy Chair

Chapter 1

Annual reports of statutory and non-statutory authorities and government companies

Defence portfolio

The Defence Force Retirement and Death Benefits Authority

1.1 The *Defence Force Retirement and Death Benefits Authority Annual Report 2003–2004* was tabled in the Senate on 8 February 2005. The report is submitted in accordance with section 16(1) of the *Defence Force Retirement and Death Benefits Act 1973*.

1.2 The Defence Force Retirement and Death Benefits Authority (DFRDB) came into operation on 1 October 1972 under the *Defence Force Retirement and Death Benefits Act 1973*. It is a fully defined unfunded superannuation scheme which is governed by the DFRDB Authority. Although closed to new members in 1991, the scheme continues to provide benefits for existing members. Day-to-day administration is provided by ComSuper. The compliance index flags the functions and responsibilities undertaken by ComSuper as part of their administration of DFRDB. The reporting requirements met by ComSuper are covered in the *Commissioner for Superannuation Annual Report 2003–2004*.¹

1.3 The Committee notes that in September 2003 the Authority considered a report from ComSuper which examined the efficiency and effectiveness of the systems and procedures used by it in the administration of the DFRDB Scheme. The Authority considered that:

ComSuper had delivered good quality superannuation services, and was effective in terms of timeliness, cost and client satisfaction. The Authority endorsed higher standards of service for reconsideration requests and introduced additional standards for family law requests and entered into a revised Agreement on Services and standards with ComSuper.²

1.4 During 2003–2004 Comsuper continued to conduct client satisfaction surveys with the assistance of the Canberra-based firm Orima Research. Two separate surveys were conducted during the year. In addition, the Quality Service Index (QSI) for military clients continues to be used to measure the survey results and to enable

1 Defence Force Retirement and Death Benefits Authority Annual Report 2003–2004, pp. 2–3, 36.

2 Defence Force Retirement and Death Benefits Authority Annual Report 2003–2004, p. 5.

comparison between survey periods. The Authority was pleased with the positive feedback obtained from clients on the quality of services received.

1.5 In the previous Annual Report, details were provided of the implementation of the new CAPITAL system which was being developed for military schemes administration. In 2003–2004, bedding in of the system continued and functional enhancements were implemented. The Authority considers that the system now provides an effective platform for the administration of the military schemes and payment system for pensions.

1.6 Throughout the report the Authority has again used a table format to evaluate its client services. The Committee considers this report to be a well-written and easy to use. It informs the reader of the organisation's financial management aspects and the many client focussed operations.³

1.7 Although a statutory body, the Authority aims to comply, where applicable, with the Requirements for Department Annual Reports. The Committee finds that this report complies with all requirements outlined in the *Guidelines (1982)* for statutory bodies.

Judge Advocate General

1.8 The Judge Advocate General Report for the period 1 January to 31 December 2004 was tabled in the Senate on 14 June 2005.

1.9 The office of Judge Advocate General (JAG) of the Australian Defence Force (ADF) is a statutory body created under the *Defence Force Discipline Act 1982*. The JAG is an office held only by a Federal Court or a Supreme Court judge. The position has a number of functions, including making procedural rules for service tribunals, providing the final legal review of proceedings within the Australian Defence Force, and, reporting upon the operation of laws relating to the discipline of the ADF. 'The JAG also has a significant role in the promotion of the jurisprudential welfare and education of the ADF'.⁴

1.10 Section 196A of the DFDA requires the JAG to prepare and provide to the Minister for Defence a report relating to the operation of the DFDA, the regulations and rules of procedure made under it, and the operation of any other law of the Commonwealth or ACT, in so far as that law relates to the discipline of the Defence force.

3 Defence Force Retirement and Death Benefits Authority Annual Report 2003–2004, pp. 8–29.

4 Judge Advocate General Annual Report 2004, pp. 1–2.

Overview of the JAG Report

1.11 The 2004 report began with an overview of the JAG's position in the military justice system, and the functions of members of his office. The report then provided information about the JAG's contribution to the Senate Foreign Affairs, Defence and Trade Reference Committee's inquiry into the effectiveness of Australia's military justice system. The JAG indicated that he had raised for the committee's consideration whether a standing military court should be established.

1.12 The JAG provided an account of his overseas visits, his meetings and discussions with British, Canadian and American colleagues, and his observations of the considerable changes to overseas military justice systems. The JAG stated:

Those meetings and discussions confirmed my view that the current structural arrangements under the DFDA do not fully reflect the considerable body of law that has developed overseas with regard to the perceived ability of Service tribunals to provide a fair and impartial trial.⁵

1.13 The JAG report goes on to discuss areas in overseas jurisdictions that contrast with current Australian structures and processes. He discussed the benefits these new structures have had for their relevant jurisdictions, and suggested the adoption of many of them in the Australian context.

1.14 The first 'key initiative' discussed by the JAG was the alteration of military judiciaries to imbue them with 'genuine independence consistent with that found in the civil courts'.⁶ The JAG asserted that safeguards for independence should include security of tenure, security of salary and independence from command influence. The JAG noted that the current renewable tenure of Judge Advocates and Defence Force Magistrates (DFM) gives rise to 'the perception that an officer might tailor his or her decisions so as to secure renewal'.⁷ He further suggested that salaries and allowances should be fixed by the Commonwealth Remuneration Tribunal.

1.15 The JAG also discussed the creation of a Standing Military Court and identified a number of benefits. He noted that a Standing Court would:

- permit the independent military judiciary to take control of search warrants;
- deal with bail applications (in lieu of existing command based review of custody); and
- facilitate the issue of rules of court governing procedural matters, including the conduct of pre-trial directions hearings.

5 Judge Advocate General Annual Report 2004, p. 6.

6 Judge Advocate General Annual Report 2004, p. 7.

7 Judge Advocate General Annual Report 2004, p. 7.

1.16 He further stated that a Standing Court would overcome a significant anomaly in the current system whereby military tribunals are unable to enforce some types of orders relating to the imprisonment of offenders.⁸

1.17 The JAG envisaged that a Standing Court would comprise three permanent military judges and a number of part time appointments. He outlined a number of advantages that would arise through the creation of a Standing Court staffed by both permanent and part time appointments.

1.18 The JAG considered the structure and function of Courts Martial and made the observation that:

Because of the command arrangements, and competition for promotion, there will always be difficulties with the perception of independence and impartiality of the president and members of the court martial.⁹

1.19 He suggested that these difficulties could be resolved by amending current structures to allow the independent Judge Advocate to preside. Further:

The genuine independence of the JA [Judge Advocate] will itself provide a significant assurance of impartiality and independence for the tribunal as a whole. This is largely lost if the president presides.¹⁰

1.20 The JAG also suggested that Judges should sentence offenders and provide formal reasons. In his view, this would increase consistency, and add to transparency and accountability.

1.21 The JAG asserted that there is very little that can be done to imbue summary trials with greater independence and transparency. He considered, however, that an automatic right of election for trial by court martial or DFM could be an option.¹¹

He noted that legislation has still not been created to:

- establish the statutorily independent positions of Director of Military Prosecutions (DMP) and Registrar of Military Justice (RMJ); and
- fix the remuneration of the Chief Judge Advocate (CJA), RMJ and DMP.¹²

1.22 These arrangements are part of an ongoing modernisation process designed to take into account developments in the law both in Australia and abroad. The JAG

8 Judge Advocate General Annual Report 2004, pp. 8–9.

9 Judge Advocate General Annual Report 2004, p. 9.

10 Judge Advocate General Annual Report 2004, p. 9.

11 Judge Advocate General Annual Report 2004, p. 10.

12 Judge Advocate General Annual Report 2004, p. 11.

drew attention to the four-year delay in enacting the necessary legislative changes, stating 'it is regrettable that they could not be introduced into parliament during 2004'.¹³

1.23 The JAG commented at length on the operation of the office of the DMP. He noted that a lack of resources and higher than expected workloads resulted in delays in bringing matters to trial. The JAG noted the administrative processes established to streamline the case-referral process, and the additional prosecutors assigned to the office. He expected these measures should reduce delay. The JAG also referred to the need for more advocacy training and forensic practise for legal officers assigned to the office of the DMP.¹⁴

1.24 With regard to the provision of Defence Counsel Services to accused members, the JAG noted that the minister should examine the option of introducing a trial defence service, independent of the Chain of Command, and akin to the current system in Canada and the USA. The JAG also suggested a more strategic succession plan for the office of the CJA, and an alteration to the CJA and DMP's rank and remuneration.¹⁵

1.25 The JAG outlined the progress of the case flow management procedures, previously discussed in his 2002 and 2003 reports. He stated that problems with personnel awareness and training, software implementation, and timeliness of data entry and integrity have been overcome. The JAG was pleased to report that the ADF now operates a reliable discipline case flow management and tracking system.¹⁶

1.26 The JAG also reported that an administrative inquiry tracking system has been contracted out to a private software developer, and was in the process of being created and implemented. The system should be fully operational by 1 March 2005. Once introduced, the RMJ will hand full responsibility for the system over to the Inspector General—ADF.¹⁷

1.27 The JAG reported that during 2004, the office was physically relocated, and is now separate from the broader Defence legal office. The JAG also conducted a review of the Judge Advocate/DFM Panels, and oversaw work undertaken to update the Discipline Law Manual. The JAG stated that the revised Discipline Law Manual was

13 Judge Advocate General Annual Report 2004, p. 12.

14 Judge Advocate General Annual Report 2004, pp. 14–15.

15 Judge Advocate General Annual Report 2004, pp. 16–17.

16 Judge Advocate General Annual Report 2004, p. 17.

17 Judge Advocate General Annual Report 2004, p. 18.

expected for release in early to mid 2005, and included provision for the giving of reasons in Summary Authority decisions.¹⁸

1.28 Training has also been provided in discipline law for both non-legally trained ADF members and ADF legal officers. The JAG noted that this training should hopefully lead to a reduction in errors of judgement regarding the appropriate conduct of disciplinary matters.¹⁹

1.29 The JAG outlined his intention to provide explanations of various aspects of the DFDA, with the aim of informing public debate. The current report gives an overview of the general procedure for a trial by court martial and DFM.²⁰

1.30 The JAG concluded his report by noting that the military justice system is undergoing significant structural reform. He stated that the biggest impediment to the process is delay in effective legislative amendments. He stated:

I am confident that the improvements being implemented, and the recommendations for improvement being considered, will give the ADF a military justice system with safeguards and transparency comparable with those offered by the systems of our principal common law allies and by the civil courts.²¹

1.31 He noted that the changes must be monitored, considered, and where appropriate, adopted.

The committee's assessment of the report

1.32 Insofar as the JAG report identified a number of shortcomings in the current military justice system, and made a number of suggestions for improvement, the committee considers that the report is an invaluable tool for providing independent and expert systemic insight into the operation of the military justice system.

1.33 The committee considers that the JAG's statutory independence provides an effective mechanism for making the types of observations and recommendations contained in this report. The statutory position of the JAG's office—outside the military chain of command—provides the greatest possible guarantee of impartiality and independence. This report is an example of how independence and impartiality can improve the overall function and accountability of the military justice system. The committee welcomes and endorses the JAG's proactive stance in suggesting

18 Judge Advocate General Annual Report 2004, p. 19.

19 Judge Advocate General Annual Report 2004, pp. 20–21.

20 Judge Advocate General Annual Report 2004, p. 22.

21 Judge Advocate General Annual Report 2004, p. 24.

improvements to the military justice system, and also welcomes the JAG's initiative of providing public information regarding the operation of particular aspects of the military justice system.

1.34 The report is a well-written and clearly-understandable account of the operations and performance of the office of the Judge Advocate General. The committee finds that this report fulfils the requirements outlined in the Guidelines for statutory bodies. Despite this finding, however, the committee considers that there may be scope for improvement.

1.35 The committee has reviewed the statistical information provided in the Annexes to the JAG Report. It considers that there are some areas where more information could be produced. For example, it would welcome statistics on the types of charges being prosecuted. In particular, it would be useful to have information regarding whether charges were offences specifically provided for in the DFDA (such as insubordination, AWOL, etc), or whether they were charges caught under s61 of the DFDA. Detail about the types of charges prosecuted would be of assistance (for example, the number of charges laid for assault, insubordination, etc). The committee would also welcome statistical information concerning how many trials (both Summary and CM/DFM) were conducted in Australia and overseas/on operations.

1.36 If it were available, the committee suggests that any information about the referral of matters to the civilian police for investigation and prosecution be included in the report. It could include statistics on the number of alleged crimes reported during the period; the number referred to the civilian authorities for investigation and prosecution; the outcomes of these matters; the number of cases referred back to the military and how many were subsequently pursued by military authorities. The committee would also welcome information about the number of pre-trial directions hearings and the reviews of convictions.

1.37 The requirement to provide more detailed information about the progress of disciplinary matters through their various stages would perhaps also help to identify areas of systemic delay, and lead to process improvement.

1.38 The committee notes that the JAG provided information about the work of the office of the DMP. The committee suggests that statistics concerning the workload of the DMP be included in the report which would include for example statistics on the number of matters referred to the DMP; the number sent back to the CO and the matters that proceeded to trial.

1.39 In the current report, the JAG mentioned the defence counsel services provided to accused service personnel, and suggested that consideration should be given to establishing an office of defence counsel services. The committee would welcome statistical information concerning the current nature of representation at trials, and any relevant observations or contextual commentary.

1.40 As well as providing statistics, the committee believes that the report could be more informative by providing commentary that explains the context and significance of the figures. For example, it would be helpful if the report identified trends over the period and/or major statistical differences from one year to the next.

1.41 Whilst the information contained in the report is very helpful, the committee suggests that the inclusion of additional information and accompanying explanation would give the statistics some context and make them more meaningful. The committee considers that the requirement to present an analysis of the statistics would also encourage a more critical approach to the collection and collation of statistics.

Recommendation

1.42 The committee recommends that the JAG provide more detailed statistical information in the Annual Report including, but not limited to:

- breakdown of offence types;
- trials conducted in Australia and overseas/on operations;
- referrals to civil authorities;
- duration of trials for the period;
- pre-trial hearings; and
- review and appeals processes.

The committee also recommends that the report include some explanation about the statistics provided in the report especially the relevance of the statistics with regard to the effectiveness of Australia's military justice system, any notable trends or significant statistical differences.

Foreign Affairs and Trade portfolio

Australia–Korea Foundation

1.43 The *Australia–Korea Foundation Annual Report 2003–2004* was tabled in the Senate on 11 May 2005. The Australian–Korea Foundation (AKF) 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 with secretariats in the Department of Foreign Affairs and Trade.

1.44 In 1991, a consultative body, set up to identify areas for further development between the Australian and Korean (ROK) Governments, recommended that a foundation be established to act as a catalyst in stimulating and strengthening the bilateral relationship. The Australia–Korea Foundation ‘supports and promotes people-to-people exchanges and sustainable institutional links covering the spectrum

of Australia's relations with Korea, particularly in the areas of commerce, industry and tourism; science and technology; education; and arts and the media'.²²

1.45 The Chairman, in his overview, reported that one of the highlights of the 2003–2004 year was the publication of the acclaimed George Rose photo book *1904 Korea through Australian Eyes*, containing photographs of everyday life in Korea taken in 1904:

The Foundation hosted a major reception in Seoul to launch the book. The book has proven to be enormously popular, as it gives a great many people in Korea access to aspects of their history that have been lost due to the decades of turbulence up until 1953.²³

1.46 The AKF Board travelled to Seoul for the launch. While there, the Board held its 35th meeting and a joint meeting with its counterpart organisation, the Korea–Australia Foundation. The two Foundations identified some key programs for cooperation. These include the Australia–Korea Economic Forum, an Australia–Korea internship program, a joint study of the impact of China on Australia–Korea economic relations and a Korea festival in Brisbane and Sydney.

1.47 Other major projects included collaboration on pilot trials of new broadband applications in the field of e-health and revising the *Investigating Australia* study kit. During the year the Korean language version of the kit was finalised and CD-ROM versions were distributed to all lower secondary schools in the Republic of Korea, where there has been considerable interest. Over the past 18 months substantial effort has gone into promoting the kit in Australia.

1.48 The *Korean War Honour Roll* quilt was launched to commemorate the sacrifice of the 340 Australian men who died during the Korean War, along with a range of activities commemorating the 50th anniversary of the Korean War armistice.

1.49 The Committee finds this report to be well designed and comprehensive in its coverage of the Australia–Korea Foundation's activities. The report complies with all reporting requirements for non-statutory bodies.

1.50 The Committee considers that all the annual reports of the abovementioned organisations fully met their respective reporting requirements.

22 Australia–Korea Foundation Annual Report 2003–2004, p. 1.

23 Australia–Korea Foundation Annual Report 2003–2004, p. 2.

Appendix 1

Annual reports referred to the Committee

Defence portfolio

Departments

Department of Defence

Department of Veterans' Affairs, Repatriation Commission and the National Treatment Monitoring Committee (NATMOC)

Statutory authorities

Army and Air Force Canteen Service Board of Management

Australian Military Forces Relief Trust Fund

Australian Strategic Policy Institute Limited

Australian War Memorial

Commonwealth Ombudsman and Defence Force Ombudsman

Defence Force Remuneration Tribunal

Defence Force Retirement and Death Benefits Authority

Defence Housing Authority (DHA)

Judge Advocate General

Office of the Inspector-General of Intelligence and Security (not tabled)

Military Superannuation and Benefits Board of Trustees No 1

Repatriation Medical Authority (RMA)

Royal Australian Air Force Veterans' Residences Trust Fund

Royal Australian Navy Relief Trust Fund

Veterans' Review Board (VRB)

Non-statutory authorities and government companies

Australian Submarine Corporation Pty Limited, now known as 'ASC'

Foreign Affairs and Trade portfolio***Department***

Department of Foreign Affairs and Trade

Statutory authorities

Australia–Indonesia Institute

Australia–Japan Foundation

Australian Centre for International Agricultural Research (ACIAR)

Australian Safeguards and Non–Proliferation Office

Australian Trade Commission (Austrade)

Export Finance and Insurance Corporation (EFIC)

Non–statutory authorities and government companies

Australia–China Council

Australia–India Council

Australia–Korea Foundation

Australian Agency for International Development (AusAID)

Appendix 2

Compliance table of the annual reports referred to the Committee for scrutiny for the period 2003–2004

<i>Reports tabled by 30 April 2005</i>				
Department/agency	Enabling legislation	Date on letter of transmittal	* Date report submitted to the minister (if known); # Date report received by minister (if known)	* Date report presented to President; # Date tabled in the Senate
<i>Defence–statutory authorities</i>				
Defence Force Retirement and Death Benefits Authority	<i>Defence Force Retirement and Death Benefits Act 1973</i> , ss16(2). To be tabled by minister as soon as practicable (by 31 Oct).	24 Sep 04		# 14 June 05
Judge Advocate General	<i>Defence Force Discipline Act 1982</i> , section 196A(1). A soon as practicable after 31 December each year.	31 Mar 05		# 8 Feb 05
<i>Foreign Affairs & Trade–non–statutory authorities and government companies</i>				
Australia–Korea Foundation (FA&T)	Established May 1992 by Order–in–Council	Jan 05		# 11 May 05

Appendix 3

Reporting requirements and guidelines

Departmental reports¹

Authority for requirements

These annual report requirements are prepared pursuant to subsections 63(2) and 70(2) of the *Public Service Act 1999* and were approved by the Joint Committee of Public Accounts and Audit on 4 June 2003.

Commencement and reporting period

The requirements apply for annual reports for financial years ending on or after 30 June 2003.

Application

- (1) The requirements apply to annual reports for departments of state pursuant to subsection 63(2) and for executive agencies pursuant to subsection 70(2) of the *Public Service Act 1999*. As a matter of policy, they also apply to prescribed agencies under section 5 of the *Financial Management and Accountability Act 1997 (FMA Act)*.
- (2) In most cases the term ‘department’ is used in these Requirements to refer to all departments and agencies that will be preparing annual reports under these requirements. Similarly, ‘secretary’ is used to refer to a departmental secretary or to an agency head of one of those other bodies.
- (3) In the case of an agency (including an executive agency established under section 61 of the *Public Service Act 1999*) that is neither prescribed under the *FMA Act* nor comes with the *Commonwealth Authorities and Companies Act 1997 (CAC Act)*, these Requirements may be used to the extent that they are consistent with any reporting requirements contained in the agency’s own legislation (if any).
- (4) In cases of machinery of government change during the reporting period, where functions or offices are gained or lost, the established practice is that the gaining department must report on that function or office for the entirety of the reporting period, whether or not the losing department continues to exist. However, in relation to financial statements, the general rules is that

¹ Excerpt from the Requirements for annual reports for departments, executive agencies and FMA Act bodies, Department of Prime Minister and Cabinet, June 2003, pp. 1, 2.

each Chief Executive who had responsibility for a function must sign off on financial statements relating to the period of their individual responsibility and include them in their own annual reports. If, for any reason, the losing department does not produce an annual report that covers the period it had the function, the financial statements from the earlier period must be published in the gaining department's annual report.

Timetable

A copy of the annual report is to be laid before each House of the Parliament on or before 31 October in the year in which the report is given

The provisions of subsections 34C(4)–(7) of the Acts Interpretation Act 1901 apply in relation to an application for extension of the period.

Where an agency's own legislation provides a timeframe for its annual report, for example 'within six months' or 'as soon as practicable after 30 June in each year', that timeframe applies. An extension under the Act Interpretation Act would need be sought only should a specified timeframe not be met.

However, it remains the Government's policy that all annual reports should be tabled by 31 October.

Commonwealth authorities and companies

The *Commonwealth Authorities and Companies Act 1997* (the *CAC Act*) contains detailed rules about reporting and accountability for Commonwealth authorities and Commonwealth companies. Commonwealth companies also must meet other reporting requirements as set out in Corporations Law.

The *Commonwealth Authorities and Companies (Report of Operations) Orders 2002*, made under section 48 of the *CAC Act*, enables organisations to comply with the specific requirements for tabling reports.

The notes from the *Commonwealth Authorities and Companies (Report of Operations) Orders 2002* are set out below.

- **Basis for annual report:** Section 9 of the *CAC Act* requires directors of a Commonwealth authority to prepare an annual report in accordance with Schedule 1 of the *CAC Act*.
- **Report of operations requirement:** The annual report must include a report of operations prepared by the directors in accordance with Finance Minister's Orders (clause 1 of Schedule 1 of the *CAC Act*).
- **Financial statements requirement:** The annual report must include financial statements prepared by the directors (clause 2 of Schedule 1 of the *CAC Act*) and the Auditor-General's report on those financial statements.

- **Tabling requirements:** Section 9 of the *CAC Act* provides that the directors must give the annual report to the responsible Minister by the 15th day of the 4th month after the end of the Commonwealth authority's financial year. Where a Commonwealth authority's financial year ends on 30 June, this means that the annual report must be given to the responsible Minister by 15 October. The responsible Minister must in turn table the annual report in both Houses of the Parliament 'as as soon as practicable'. Under subsection 34C(3) of the *Acts Interpretation Act 1901*, this means within 15 sitting days.

Non-statutory bodies

The annual report of a non-statutory body shall contain the following information (after Senate *Hansard*, 8 December 1987, pp. 2643–2645):

- The annual report shall show the date of establishment of each new non-statutory body (NSB) and, in relation to each existing NSB, information regarding the date of its establishment in as much detail as is available.
- The annual report shall contain a statement of each NSB's objectives and functions.
- The annual report shall contain an account of each NSB's significant activities during the year.
- The annual report shall contain an indication that the creation or continued existence of each NSB, its functions and its organisation have received Ministerial approval.
- The annual report shall show the date in which each NSB will cease to exist or before which it will be reviewed (whichever is the earlier).
- In the case of any NSB whose continued existence, functions and organisation have been reviewed and whose continued existence has been approved by the Minister, the annual report shall show a summary of the outcome of the review.
- The annual report will contain a list of any positions provided for ex-officio government members on each NSB and of any positions provided for representatives nominated by particular non-government organisations.
- The annual report shall show the maximum term of appointment of each on an NSB.
- Except in cases where there may be little or no continuity of membership from one meeting to the next, the annual report will show the names of individual members of each NSB, and their terms of appointment.
- The report will show the manner in which the level of remuneration paid (if any) to members of each NSB is determined.
- The report will show the manner in which each NSB is funded
- The report will show a summary of any other financial arrangements such as the kinds of expenditure that can be made from the funds provided, and the nature of secretariat services provided and the way in which these are funded.
- In respect of each NSB, the annual report shall indicate whether one of its functions is to distribute funds to other organisations or individuals

- AN NSB with its own accounting system shall provide an audited financial statement.
- When an NSB operates through its parent body accounts, the NSB shall provide an account of receipts and expenditure on a program basis. It will also show:
 - the NSB's work reflected in the parent body's published program structure
 - performance related to objectives and measured in terms of stated criteria, in accordance with standard program budgeting techniques, and
 - the amounts of any grants made by each NSB.