

Preface

Introduction

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

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.

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

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. Indeed, as noted in the *Requirements for Annual Reports*:

Annual reports serve to inform the Parliament (through the responsible Minister), other stakeholders, educational and research institutions, the media and the general public about the performance of departments in relation to services provided. Annual reports are a key reference document and a document for internal management. They form part of the historical record.

Assessment of annual reports

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.

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 19*; 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 s124, pp. 2643–45 (requirements were modified in 1987).

Excerpts of the reporting requirements are at appendix 3.

General comments on the annual reports

7. The following annual reports have been examined by the Committee:

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

Defence portfolio

Army and Air Force Canteen Service, trading as Frontline Defence Services
Australian Military Forces Relief Trust Fund
Australian Strategic Policy Institute
Australian Submarine Corporation
Australian War Memorial
Defence Force Remuneration Tribunal
Defence Force Retirement and Death Benefits Authority
Defence Housing Authority
Department of Defence
Department of Veterans' Affairs, Repatriation Commission and the National Treatment Monitoring Committee
Military Superannuation and Benefits Scheme
Repatriation Medical Authority
Royal Australian Air Force Veterans' Residences Trust Fund
Royal Australian Air Force Welfare Trust Fund
Royal Australian Navy Relief Trust Fund
Veterans' Review Board.

Foreign Affairs and Trade portfolio

Australian Agency for International Aid Development (AusAID)
Australian Centre for International Agricultural Research (ACIAR)
Australian Safeguards and Non-Proliferation Office (ASNO)
Australian Trade Commission (Austrade)
Department of Foreign Affairs and Trade
Export Finance and Insurance Corporation (EFIC).

Timeliness in tabling annual reports

8. Section 63 of the *Public Service Act 1999* requires the Secretary of a Department, after the end of each financial year, to give a report to the Agency Minister for presentation to the Parliament on the Department's activities during the year.

9. The letter of transmittal is to be dated on the day the signatory approves the final text of the report for printing. The Committee noted that several agencies did not have a date on their letter of transmittal, or, did not have a letter of transmittal in the front of the report. Providing these details will assist the Committee in determining if reports comply with the relevant requirements.

10. The *Requirements for Departmental Annual Reports* specify that 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 annual reports of the

Department of Defence, the Australian Centre for International Agricultural Research and the ASC Pty Ltd were late in being presented to the Senate.³ It should be noted that the Annual Report of Frontline Defence Services for 2004–05 has not yet been presented to the Parliament and no letter explaining this delay or seeking an extension has been tabled in the Parliament. A table detailing the dates relating to the timeliness of presentation is at Appendix 3.

Comments made in the Senate

11. The Committee is obliged, under Senate Standing Order 25(21)(d) to consider any remarks made about these reports in the Senate. There were no comments in the Senate on any of these reports.

Matters of significance

12. In accordance with SO25, the committee is to note any significant matters relating to the operations and performance of the bodies presenting their annual report. The committee draws attention to the financial statements of the Department of Defence contained in its Annual Report which are discussed in greater detail in the following chapter.

Bodies not presenting annual reports to the Senate

13. The Committee is required to report to the Senate each year on whether there are any bodies that do not present annual reports to the Senate and which should present such reports. The Committee is satisfied that there are no bodies, within these portfolios, which do not meet their reporting requirements to the Senate.

Standard of reports

14. The Committee found all reports to be generally of a high standard. They effectively described the function, activities and financial positions of the various departments and agencies. The Committee therefore finds all of the annual reports to be ‘apparently satisfactory’. It is unable, however, to comment on Frontline Defence Services’ Annual Report for the period under review which is yet to be presented to the Parliament.



David Johnston
Chair

3 See appendix 2 for reports tabled on or before the last sitting day of 2005.