

Chapter 1

Overview

1.1 The Senate Rural and Regional Affairs and Transport Legislation Committee's (the Committee) second report on annual reports for 2013. It provides an overview of the committee's examination of annual reports for the 2011–12 financial year.

Terms of Reference

1.2 Under Senate Standing Order 25(20), annual reports 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 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.
- (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.

Purpose of annual reports

1.3 The tabling and scrutiny of annual reports by Senate committees, under Standing Order 25(20), is an important element in the process of the government's accountability to Parliament. The information provided in annual reports is placed on the public record and assists Parliament in its examination of the performance of departments and agencies and the administration of government programs.

Reports referred to the committee

1.4 In accordance with Standing Order 25(20)(f) this report examines those annual reports tabled between 1 November 2012 and 30 April 2013. The committee examined the following reports:

Agriculture, Fisheries and Forestry Portfolio

- Australian Fisheries Management Authority—Report for 2011–12;
- Australian Livestock Export Corporation Limited (LiveCorp) —Report for 2011–12;
- Australian Pesticides and Veterinary Management Authority—Report for 2011–12;
- Cotton Research and Development Corporation—Report for 2011–12;
- Dairy Australia Limited—Report for 2011–12;
- Fisheries Research and Development Corporation—Report for 2011–12;
- Grain Research and Development Corporation—Report for 2011–12;
- Grape and Wine Research and Development Corporation—Report for 2011–12;
- Rural Industries Research and Development Corporation—Report for 2011–12;
- Sugar Research and Development Corporation—Report for 2011–12; and
- Wheat Exports Australia—Report for 2011–12.

1.5 A complete list of reports referred to the committee during the period 1 November 2012 to 30 April 2013 (including those not examined) appears at Appendix 1.

Reports not examined

1.6 The committee is not obliged to report on Acts, statements of corporate intent, surveys, corporate plans or errata. The following seven documents were referred to the committee but have not been examined:

- *Australian Meat and Live-stock Industry Act 1997*—Live-stock mortalities during exports by sea—Report for the reporting period 1 July to 31 December 2012;
- *Australian Meat and Live-stock Industry Act 1997*—Report to Parliament in relation to the Funding Agreement 2010–14 with the Australian Livestock Export Corporation (LiveCorp);
- *Dairy Produce Act 1986*—Report to Parliament in relation to the Deed of Agreement 2007–13 with Dairy Australia Limited;

- *Local Government (Financial Assistance) Act 1995*—Report for 2009–10 Local Government National Report;
- *Sydney Airport Demand Management Act 1997*—Quarterly report on the maximum movement limit for Sydney Airport for the period 1 July to 30 September 2012;
- *Sydney Airport Demand Management Act 1997*—Quarterly report on the maximum movement limit for Sydney Airport for the period 1 October to 31 December 2012; and
- *Torres Strait Fisheries Act 1984*—Torres Strait Protected Zone Joint Authority—Report for 2011–12.

Method of assessment

1.7 Senate Standing Orders require the committee to examine the annual reports referred to it to determine whether they are timely and ‘apparently satisfactory’. In forming its assessment, the committee considers whether the reports comply with the relevant legislation and guidelines for the preparation of annual reports:

- for departments of state and executive agencies these are: the *Public Service Act 1999*, subsections 63(2) and 70(2), and the *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies* (Requirements for Annual Reports), Department of the Prime Minister and Cabinet (PM&C), approved by the Joint Committee of Public Accounts and Audit and updated by PM&C on 28 June 2012;
- for Commonwealth authorities and companies: the *Commonwealth Authorities and Companies Act 1997* (the CAC Act), sections 9, 36 and 48, the *Commonwealth Authorities (Annual Reporting) Orders 2011*, the *Commonwealth Companies (Annual Reporting) Orders 2011* (CAC Orders) and the requirements of the *Corporations Act 2001*; and
- for non-statutory bodies: the requirements 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, pp 2643–45.

Timeliness in tabling annual reports

1.8 Standing Order 25(20)(c) requires the committee to report to the Senate on the late presentation of annual reports.

1.9 Annual reports must be tabled in Parliament by 31 October each year, except where an agency's own legislation specifies a timeframe for its annual report.¹ Those agencies reporting under the CAC Act are required to provide their annual reports to

1 Department of the Prime Minister and Cabinet, *Requirements for Annual Reports*, 28 June 2012, p. 2.

the Minister by the 15th day of the fourth month after the end of the financial year.² Where the financial year ends on 30 June, this deadline translates to 15 October.

1.10 Where an agency's own legislation provides a timeframe for its annual report, an alternative timeframe applies. However, the committee reminds such bodies that it is the Government's policy that all annual reports should be tabled in Parliament by 31 October.³

1.11 The committee notes that all Commonwealth authorities' annual reports examined in this report were not sent to the Minister by the 15 October.

1.12 Although not subject to the timeframes in the CAC Act or *Financial Management and Accountability Act 1997* (FMA Act), the committee notes a significant delay in the tabling of the Torres Strait Protected Zone Joint Authority (TSPZJA) *Annual Report 2009–10*, which was tabled in the Senate on 5 February 2013. The committee encourages the TSPZJA to produce its annual report in a more timely manner.

Comments on reports

1.13 The committee considers that the Cotton Research and Development Corporation's *Annual Report 2011–12* and the Rural Industries Research and Development Corporation *Annual Report 2011–12* have fulfilled the reporting requirements to a high standard.

2 *Commonwealth Authorities and Companies Act 1997*, s. 9.

3 Department of the Prime Minister and Cabinet, *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, July 2011, p. 2.