

# Chapter 1

## Overview

1.1 This is the Senate Rural and Regional Affairs and Transport Legislation Committee's (the Committee) first report on annual reports for 2014. The committee is responsible for examining the annual reports of departments and agencies within the portfolios of:

- Agriculture; and
- Infrastructure and Regional Development.<sup>1</sup>

### 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.

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1 *Journals of the Senate*, No. 2, 13 November 2013, pp 88–89.

## **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.

## **Changes to the Administrative Arrangements Orders**

1.4 The committee notes the following changes were made to the Administrative Arrangements Orders on 18 September 2013:

- the Department of Agriculture, Fisheries and Forestry is now known as the Department of Agriculture;
- functions of the former Department of Regional Australia, Local Government, Arts and Sport were transferred to the Department of Infrastructure and Transport, now known as the Department of Infrastructure and Regional Development; and
- the Department of Regional Australia, Local Government, Arts and Sport (Regional Australia) was abolished<sup>2</sup> and its functions transferred to the Department of Infrastructure and Regional Development, the Department of Health and the Attorney-Generals' Department.<sup>3</sup>

## **Reports referred to the committee**

1.5 In accordance with Standing Order 25(20)(f) this report examines those annual reports tabled between 1 May 2013 and 31 October 2013. The committee examined the following reports:

### *Agriculture Portfolio*

- Department of Agriculture, Fisheries and Forestry—Report for 2012–13;
- Australian Pesticides and Veterinary Medicines Authority—Report for 2012–13;
- Wine Australia Corporation—Report for 2012–13

### *Infrastructure and Regional Development Portfolio*

- Department of Infrastructure and Transport—Report for 2012–13;

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2 The Hon. Tony Abbott, MP, Prime Minister of Australia, 'The Coalition will restore strong, stable and accountable government', media release, 18 September 2013. For more information see <http://www.pm.gov.au/media/2013-09-18/coalition-will-restore-strong-stable-and-accountable-government>

3 Commonwealth of Australia, *Administrative Arrangements Orders*, 18 September 2013, pp 4–8, 22–24 and 30–32. For more information see <http://www.dpmc.gov.au/parliamentary>

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- Department of Regional Australia, Local Government, Arts and Sport—Report for 2012–13;
  - Australian Maritime Safety Authority—Report for 2012–13;
  - Australian River Co. Limited—Annual Report for 2012;
  - Australian Transport Safety Bureau—Report for 2012–13;
  - Civil Aviation Safety Authority—Report for 2012–13;
  - International Air Services Commission—Report for 2012–13; and
  - Moorebank Intermodal Company—Report for 2013.

1.6 A complete list of reports referred to the committee during the period 1 May to 31 October 2013 (including those not examined) appears at Appendix 1.

### **Reports not examined**

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

- *Air Services Act 1995*—Airservices Australia Corporate Plan 2013–2018;
- *Australian Meat and Live-stock Industry Act 1997*—Live-stock mortalities during exports by sea—Report for the reporting period 1 January to 30 June 2013;
- *Civil Aviation Act 1988*—Civil Aviation Safety Authority Corporate Plan 2013-14 to 2015-16;
- Moorebank Intermodal Company—Statement of Corporate Intent 2013–2014; and
- *Sydney Airport Demand Management Act 1997*—Quarterly report on the maximum movement limit for Sydney Airport for the period 1 April to 30 June 2013.

### **Method of assessment**

1.8 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 24 June 2013;

- 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**

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

1.10 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.<sup>4</sup> Those agencies reporting under the CAC Act are required to provide their annual reports to the Minister by the 15<sup>th</sup> day of the fourth month after the end of the financial year.<sup>5</sup> Where the financial year ends on 30 June, this deadline translates to 15 October.

1.11 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.<sup>6</sup>

### **Comments on reports**

1.12 The committee considers that the Department of Infrastructure and Transport and the Department of Regional Australia, Local Government, Arts and Sport have fulfilled the reporting requirements to a high standard.

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4 Department of the Prime Minister and Cabinet, *Requirements for Annual Reports, Executive Agencies and FMA Act Bodies*, 28 June 2012, p. 2.

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

6 Department of the Prime Minister and Cabinet, *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, 28 June 2012, p. 2.