

Chapter 1

Overview

1.1 This is the Senate Rural and Regional Affairs and Transport Legislation Committee's (the Committee) second and final report on annual reports in 2014. It provides an overview of the committee's examination of annual reports for the 2012–13 financial year tabled after 31 October 2013. The committee is responsible for examining the annual reports of departments and agencies within the portfolios of:

- Agriculture; and
- Infrastructure and Regional Development.¹

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.

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.

Reports referred to the committee

1.4 The committee reported on annual reports tabled in the Senate by 31 October 2013 in its Report on Annual Reports (No. 1 of 2014) tabled on 19 March 2014, which examined four annual reports in detail.

1.5 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 Portfolio

- Australian Fisheries Management Authority (AFMA)—Report for 2012-13;
- Australian Livestock Export Corporation Limited (LiveCorp)—Report for 2012-13;
- Cotton Research and Development Corporation (CRDC)—Report for 2012-13;
- Dairy Australia Limited—Report for 2012-13;
- Fisheries Research and Development Corporation (FRDC)—Report for 2012-13;
- Grape and Wine Research and Development Corporation (GWRDC)—Report for 2012-13;
- Grains Research and Development Corporation (GRDC)—Report for 2012-13;
- Rural Industries Research and Development Corporation (RIRDC)—Report for 2012-13;
- Sugar Research and Development Corporation (SRDC)—Report for 2012-13;
- Sugar Research and Development Corporation (SRDC)—Report for 2013-14—Final annual report for the period 1 July to 30 September 2013; and
- Wheat Exports Australia (WEA)—Report for the period 1 July 2012 to 31 December 2012 [Final Report].

Infrastructure and Regional Development Portfolio

- Australian Rail Track Corporation (ARTC)—Report for 2012-13;
- National Capital Authority (NCA)—Report for 2012-13;
- National Heavy Vehicle Regulator (NHVR)—Report for the period 12 October 2012 to 30 June 2013;
- National Transport Commission (NTC)—Report for 2012-13; and
- Office of the National Rail Safety Regulator (ONRSR)—Report for the period 20 January to 30 June 2013.

1.6 Appendix 1 sets out a complete list of reports referred to the committee during the period 1 November 2013 to 30 April 2014 (including those not examined). This appendix includes references to the relevant legislation requiring annual reports, the letter of transmittal dates, the dates on which the annual reports were sent to, and received by, the relevant Minister, and the dates on which the annual reports were tabled.

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 seven documents were referred to the committee but have not been examined:

- Airservices Australia—*Sydney Airport Demand Management Act 1997*—quarterly report on the maximum movement limit for the period 1 July to 30 September 2013;
- Airservices Australia—*Sydney Airport Demand Management Act 1997*—quarterly report on the maximum movement limit for the period 1 October to 31 December 2013;
- Australian Rail Track Corporation Ltd (ARTC)—Statement of Corporate Intent 2013-14;
- *Local Government (Financial Assistance) Act 1995*—Report for 2010-11 on the operation of the Act, including maps of state and territory local government areas;
- Regional Forest Agreement between the Commonwealth and Western Australia—Report of the review of the implementation of the Regional Forest Agreement for the South-West Forest Region of Western Australia for the period 1999 to 2009—First independent review, dated December 2013;
- Report to the Parliament in relation to the Deed of Agreement 2007-13 (funding contract) with Dairy Australia Limited;
- Report to the Parliament in relation to the Funding Agreement 2010-14 with the Australian Livestock Export Corporation Limited (LiveCorp);

- Report to the Parliament in relation to the Statutory Funding Agreement 2013-17 between the Commonwealth of Australia represented by the Department of Agriculture, Forestry and Fisheries and Dairy Australia Limited;
- Report to the Parliament in relation to the Statutory Funding Agreement 2013-17 between the Commonwealth of Australia represented by the Department of Agriculture, Forestry and Fisheries and Sugar Research Australia Limited; and
- Report to the Parliament on Live-stock Mortalities During Exports by Sea for the Reporting Period 1 July 2013 to 31 December 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;²
- 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*;³ 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 of annual reports

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

2 It should be noted that the Requirements for Annual Reports were updated again on 29 May 2014.

3 It should be noted that the *Public Governance, Performance and Accountability Act 2013* replaced the CAC Act and the FMA Act as of 1 July 2014.

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.⁴ Those agencies reporting under the CAC Act are required to provide their annual reports to the Minister by the 15th day of the fourth month after the end of the financial year.⁵ 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.⁶

1.12 The committee has observed that while almost all agencies and other relevant entities sent their report within the specified timeframes, a considerable number were not tabled by 31 October 2013. The committee encourages the government to ensure annual reports are tabled by 31 October each year.

1.13 The committee also notes that the inaugural reports of the National Heavy Vehicle Regulator and Office of the National Rail Safety Regulator were not sent to, or received by, the responsible Commonwealth Ministers within the timeframes set by the entities' relevant legislation (three months after the end of the financial year or 30 September).⁷

1.14 Finally, the committee notes that the last annual report received from the Protected Zone Joint Authority (PZJA) was in January 2013 for the 2009-10 financial year.⁸ Under the relevant legislation, the PZJA is required to prepare an annual report 'as soon as practicable after 30 June in each year'.⁹ The committee encourages the PZJA to report in a more timely fashion.¹⁰

4 Department of the Prime Minister and Cabinet, *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, 24 June 2013, p. 3.

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*, 24 June 2013, p. 3.

7 However, it is noted that the date on the letter of transmittal for the National Heavy Vehicle Regulator's Annual Report is 30 September 2013, the final day within the timeframe set. See *Heavy Vehicle National Law Act 2012 (Qld)*, s 693(1); *Rail Safety National Law (South Australia) Act 2012*, s 43(1).

8 See Rural and Regional Affairs and Transport Legislation Committee, *Annual reports (No. 1 of 2013)*, p. 34.

9 *Torres Strait Fisheries Act 29*, s 41(1).

10 The committee is aware that on 9 April 2014 the PZJA agreed to focus on 'finalising and publishing a series of annual reports' over the subsequent six to twelve months. See Australian Fisheries Management Authority, *Protected Zone Joint Authority Stakeholder Meeting (2013)*, accessible at <http://www.afma.gov.au/2014/04/protected-zone-joint-authority-stakeholder-meeting/>

Comments on reports

1.15 The committee considers that the all reports received were 'apparently satisfactory'. The following chapter of this report examines selected annual reports in further detail and incorporates suggestions for improvement.