

Chapter 1

Overview

1.1 The Senate Rural and Regional Affairs and Transport Legislation Committee's (the committee) report on annual reports provides an overview of the committee's examination of annual reports for the 2013–14 financial year tabled by 31 October 2014. The committee is responsible for examining the annual reports of departments and agencies within the portfolios of:

- Agriculture; and
- Infrastructure and Regional Development.¹

1.2 This is the first of two reports on annual reports that the committee is required to produce this year.

Terms of reference

1.3 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.

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

(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

1.4 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 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

1.5 In accordance with Standing Order 25(20)(f), this report examines annual reports tabled between 1 May 2014 and 31 October 2014. The committee examined the following reports:

Agriculture Portfolio

- Torres Strait Protected Zone Joint Authority—Report for 2010-11;
- Australian Landcare Council—Report for 2012-13;
- National Rural Advisory Council—Report for 2012-13;
- Department of Agriculture—Report for 2013-14; and
- Australian Pesticides and Veterinary Medicines Authority—Report for 2013-14.

Infrastructure and Regional Development Portfolio

- International Air Services Commission—Report for 2013-14;
- Australian Rail Track Corporation Limited—Report for 2013-14;
- National Heavy Vehicle Regulator—Report for 2013-14;
- Civil Aviation Safety Authority—Report for 2013-14;
- Airservices Australia—Report for 2013-14;
- Moorebank Intermodal Company—Report for 2014;
- Australian River Co. Limited—Report for 2013;
- National Transport Commission—Report for 2013-14;
- Australian Maritime Safety Authority—Report for 2013-14;
- Department of Infrastructure and Regional Development—Report for 2013-14; and
- Australian Transport Safety Bureau—Report for 2013-14.

1.6 Appendix 1 sets out a complete list of reports referred to the committee during the period 1 May 2014 and 31 October 2014 (including those not examined). This

appendix includes references to the relevant legislation, 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 in both the House of Representatives and the Senate.

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:

- Report to Parliament on Live-stock Mortalities During Exports by Sea for the Reporting Period 1 January to 30 June 2014;
- Airservices Australia Corporate Plan 2014-2019;
- Australian Rail Track Corporation Statement of Corporate Intent 2014-15;
- Report on Movement Cap for Sydney Airport – quarterly report on the maximum movement limit for the period 1 January to 31 March 2014; and
- Report on Movement Cap for Sydney Airport – quarterly report on the maximum movement limit for the period 1 April to 30 June 2014; and

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 29 May 2014;
- 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*;² and

2 It should be noted that the *Public Governance, Performance and Accountability Act 2013* replaced the CAC Act and the *Financial Management and Accountability Act 1997* as of 1 July 2014.

- 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.³

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.

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 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 If Senate Supplementary Budget Estimates hearings are scheduled to occur prior to 31 October, it is best practice for annual reports to be tabled prior to those hearings.⁶ The Senate Supplementary Budget Estimates hearings in 2014 were scheduled for 20-21 October 2014.⁷

1.12 Where an agency's own legislation provides a timeframe for its annual report, an alternative timeframe applies. However, the committee reminds such bodies that there is a requirement upon them to ensure that annual reports are tabled in Parliament by 31 October.⁸

1.13 The committee has observed that while many agencies and other relevant entities sent their report within the specified timeframes, a considerable number were not tabled by 31 October 2014. The committee will continue to monitor the matter of timeliness in future reports on annual reports.

1.14 Finally, the committee notes that the last annual report received from the Torres Strait Protected Zone Joint Authority (PZJA) was in October 2014 for the 2010-11 financial year. Under the relevant legislation, PZJA is required to prepare an

3 *Senate Hansard*, 8 December 1987, pp 2643–2645.

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*, 29 May 2014, p. 3.

7 *Journals of the Senate*, No. 6, 4 December 2013, pp 223-224. Due to the passing of former Prime Minister the Hon. Edward Gough Whitlam AC, QC, the Supplementary Budget Estimates hearing on 21 October 2014 was suspended. The hearing was reconvened on 20 November 2014.

8 Department of the Prime Minister and Cabinet, *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, 29 May 2014, p. 3.

annual report 'as soon as practicable after 30 June in each year'.⁹ The committee strongly encourages PZJA to provide the outstanding reports for 2011-12, 2012-13 and 2013-14 as soon as possible and to complete all future reports in a more timely fashion.¹⁰

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.

9 *Torres Strait Fisheries Act 1984*, s 41(1).

10 The committee is aware that on 8-9 April 2014, PZJA agreed to 'combine three outstanding annual reports (2011/12, 2012/13, 2013/14) to bring the reporting period back in line with the most recent financial year'. See *PZJA Meeting 23* (April 2014), accessible at <http://pzja.gov.au/pzja-and-committees/protected-zone-joint-authority-pzja/pzja-meeting-23-8-9-april-2014/#.VOGD6U0cRaQ>

