

The Senate

Rural and Regional Affairs
and Transport
Legislation Committee

Annual reports (No. 1 of 2015)

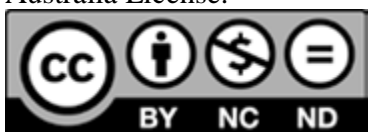
March 2015

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ISBN 978-1-76010-155-8

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Membership of the committee

Members

Senator the Hon. Bill Heffernan, Chair

Senator Glenn Sterle, Deputy Chair

Senator Joe Bullock

Senator Sean Edwards

Senator Rachel Siewert

Senator John Williams

New South Wales, LP

Western Australia, ALP

Western Australia, ALP

South Australia, LP

Western Australia, AG

New South Wales, NATS

Secretariat

Mr Tim Watling, Secretary

Ms Kate Campbell, Research Officer

Ms Lauren Carnevale, Administrative Officer

PO Box 6100

Parliament House

Canberra ACT 2600

Ph: 02 6277 3511

Fax: 02 6277 5811

E-mail: rrat.sen@aph.gov.au

Internet: www.aph.gov.au/senate_rrat

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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>

Chapter 2

Annual reports of agencies

2.1 This chapter examines selected annual reports received during the period 1 May 2014 and 31 October 2014 and provides the Senate with information that may be of particular interest.

Agriculture Portfolio

Department of Agriculture—Annual Report 2013-14

2.2 The Secretary's review outlined the core activities of the Department of Agriculture (the department) over the 2013-14 period, including work done to deliver the National Drought Program Reform package and the continued reform to Australia's biosecurity system, with a focus on sustainable cost-recovery mechanisms. The Secretary also noted that the portfolio industries contributed approximately \$51 billion to the national economy, including more than \$39 billion in export earnings.¹

2.3 In regard to staffing matters, the report stated that staff numbers were reduced by 500 on a full-time equivalent basis over the reporting period until 30 June 2014. In November 2013, a voluntary redundancy program was introduced to reduce staffing numbers in line with budget considerations and low levels of natural attrition. Out of the 500 total separations during 2013-14, approximately 67 per cent were associated with this redundancy program.²

2.4 The committee notes that the department achieved 99 out of its 118 key performance indicators (KPI) across two outcomes and 15 programs. Of the remaining 19 indicators, 13 were 'partially met', two were 'not met', and four were not applicable. The department provided explanations for those KPI that were either partially achieved or not achieved at all, and the committee commends the department for providing clear accounts of these issues.³

2.5 The committee considers the department's 2013-14 report to be of a high standard and compliant with the reporting requirements.

Australian Pesticides and Veterinary Medicines Authority—Annual Report 2013-14

2.6 The Chief Executive Officer's report noted that a significant part of the work of the Australian Pesticides and Veterinary Medicines Authority (APVMA) during 2013-14 was to update systems and processes as part of efforts to prepare industry and stakeholders for legislative reforms that commenced on 1 July 2014. In particular, APVMA reviewed and updated regulatory guidance material in consultation with

1 Department of Agriculture, *Annual Report 2013-14*, pp 2-5.

2 Department of Agriculture, *Annual Report 2013-14*, pp 5, 114.

3 Department of Agriculture, *Annual Report 2013-14*, pp 30-103.

industry and conducted face-to-face information and training sessions for the relevant stakeholders.⁴

2.7 APVMA also delivered new online services to allow applications for the approval and registration of chemicals, as well as payments of fees and levies to be dealt with via an integrated online system.⁵

2.8 The committee notes that APVMA listed its 'adherence to the APS Code of Conduct' performance measure as 'not achieved', owing to one breach of the Code of Conduct that was investigated and dealt with during the 2013-14 period.⁶

2.9 The committee considers APVMA's 2013-14 report to be of a high standard and compliant with the reporting requirements. However, the committee recommends that in future annual reports, APVMA consider incorporating a table outlining a collated list of the numerous performance measures allocated across the eight strategy areas, including information on whether these have been achieved.

Infrastructure and Regional Development Portfolio

Department of Infrastructure and Regional Development —Annual Report 2013-14

2.10 Following machinery-of-government changes after the September 2013 election, under the Administrative Arrangements Order of 18 September 2013, the then Department of Infrastructure and Transport was allocated functions relating to regional development, local government and services to territories. It was renamed the Department of Infrastructure and Regional Development (the department).⁷

2.11 The Secretary's overview detailed the key achievements of the department over the year, making particular reference to the \$6.9 billion allocated through direct and indirect grants for the construction and maintenance of national land transport infrastructure. The overview also noted that the department negotiated a concessional bridging loan with the New South Wales Government for the delivery of stage two of the WestConnex project in Sydney.⁸

2.12 The Western Sydney Unit was established within the department to assist with preparations for the planned 2016 construction of a new airport at Badgerys Creek in Western Sydney. The Western Sydney Unit is responsible for detailed airport planning and undertaking consultation with councils, local communities and aviation industry stakeholders.⁹

4 Australian Pesticides and Veterinary Medicines Authority, *Annual Report 2013-14*, pp vii, 18-22.

5 Australian Pesticides and Veterinary Medicines Authority, *Annual Report 2013-14*, pp vii, 29-30.

6 Australian Pesticides and Veterinary Medicines Authority, *Annual Report 2013-14*, p. 76.

7 Administrative Arrangements Order of 18 September 2013, pp 30-32.

8 Department of Infrastructure and Regional Development, *Annual Report 2013-14*, pp 4-13.

9 Department of Infrastructure and Regional Development, *Annual Report 2013-14*, pp 68, 72.

2.13 In regard to the regional development and local government portfolio outcome, the report noted that funding agreements were implemented for all Regional Development Australia (RDA) committees and contract payments to the value of \$17.7 million were delivered. The department also reviewed and approved three-year regional plans for each of the 55 RDA committees that work to categorise key economic development priorities.¹⁰

2.14 In March 2014 the department took the lead in the work of the Joint Agency Coordination Centre (JACC), established in response to the disappearance of Malaysia Airlines flight MH370 en route from Kuala Lumpur to Malaysia. JACC coordinates the responses of Australian agencies and international search partners, and has a significant role in the media management of the incident. The committee notes that during the initial months of its operation, more than 80 departmental staff were involved in JACC activities.¹¹

2.15 The committee considers the department's 2013-14 report to be well-presented and compliant with the reporting requirements.

Australian Transport Safety Bureau —Annual Report 2013-14

2.16 The Australian Transport Safety Bureau (ATSB) Chief Commissioner's review of 2013-14 noted that the period was a challenging one for the agency, for reasons including the complexity of the incidents dealt with and the availability of resources. ATSB reduced staff numbers by twelve per cent during 2013-14, leading to some functions being combined. The Chief Commissioner noted that the diminished capacity of ATSB to carry out its functions would impact upon the timeliness of the completion of some investigations and lead to more limited industry engagement.¹²

2.17 During 2013-14 ATSB took several steps to improve information accessibility for interested stakeholders, including opening online access to the Australian National Aviation Occurrence Database which allows members of the public to search for de-identified information on aviation accidents and incidents. ATSB also launched a webpage which provides de-identified confidential reports on aviation, maritime and rail safety concerns.¹³

2.18 In regard to assessing, classifying and publishing summaries of accident and incident occurrences, ATSB has a target timeframe of one day for the publication of occurrences being investigated, and five days for summaries of other incidents. During 2013-14, only 77 per cent of occurrences under investigation were published online within one working day, and only five percent of summaries of other occurrences were published online within the specified target of five days. The median publishing time was 24 days. The committee notes that the report stated that

10 Department of Infrastructure and Regional Development, *Annual Report 2013-14*, pp 82-93.

11 Department of Infrastructure and Regional Development, *Annual Report 2013-14*, p. 10.

12 Australian Transport Safety Bureau, *Annual Report 2013-14*, pp 2-8.

13 Australian Transport Safety Bureau, *Annual Report 2013-14*, p. 3.

the failure to achieve these KPI was a result of a reduction in staffing levels within the Notifications Division.¹⁴

2.19 One of the core activities undertaken by ATSB during the year was the search for the missing Malaysia Airlines Flight MH370, initiated in March 2014. A new KPI was added for Program 1.1, and this will be fully reported on in the 2014-15 annual report. However, the 2013-14 report does provide some detail of the actions taken so far. Along with representatives from international accident investigation agencies, the Malaysian Department of Civil Aviation, and the Australian Defence Science and Technology Organisation, ATSB contributed to the work of the flight path reconstruction group in analysing the satellite communication information

2.20 Under Annex 13 to the Convention on International Civil Aviation, Malaysia has investigative responsibility for the MH370 incident. In response to a request for assistance from the Malaysian Government, and under the provisions of the Australian *Transport Safety Investigation Act 2003*, five ATSB investigators provided assistance to the investigation in Malaysia. The committee notes that, owing to the need to redirect investigative and administrative staff to tasks relating to the MH370 incident, ATSB has flagged that this may constrain the scope of future investigations.¹⁵

2.21 The committee commends ATSB on a comprehensive annual report, noting in particular the thorough compliance index.

Senator Bill Heffernan

Chair

14 Australian Transport Safety Bureau, *Annual Report 2013-14*, pp 26, 30.

15 Australian Transport Safety Bureau, *Annual Report 2013-14*, pp 8, 34-36

Appendix 1

Annual reports referred during the period 1 May to 31 October 2014

Agriculture portfolio

	Legislation	Date of transmittal letter	Date sent to minister	Date received by minister	Date tabled in Senate	Date tabled in House of Representatives
Torres Strait Protected Zone Joint Authority annual report 2010-11	<i>Torres Strait Fisheries Act 1984</i>	n/a	03/09/2014	04/09/2014	27/10/2014	27/10/2014
Australian Landcare Council annual report 2012-13	<i>Natural Resources Management (Financial Assistance) Act 1992</i>	04/2014	31/03/2014	09/04/2014	13/05/2014	13/05/2014
National Rural Advisory Council annual report 2012-13	<i>Rural Adjustment Act 1992</i>	29/05/2014	29/05/2014	30/05/2014	25/06/2014	25/06/2014
Department of Agriculture annual report 2013-14	<i>Public Service Act 1999</i> <i>FMA Act 1997</i>	26/09/2014	01/10/2014	01/10/2014	27/10/2014 *17/10/2014	20/10/2014
Australian Pesticides and Veterinary Medicines Authority annual report 2013-14	<i>Agricultural and Veterinary Chemicals (Administration) Act 1992</i> <i>FMA Act 1997</i> <i>Public Service Act 1999</i>	24/09/2014	03/10/2014	03/10/2014	27/10/2014	27/10/2014
Report to Parliament on Live-stock Mortalities During Exports by Sea for the Reporting Period 1 January to 30 June 2014	<i>Australian Meat and Live-stock Industry Act 1997</i>	n/a	01/10/2014	01/10/2014	27/10/2014	20/10/2014

* An asterisk denotes reports presented to the President out-of-session.

Infrastructure and Regional Development portfolio

	Legislation	Date of transmittal letter	Date sent to minister	Date received by minister	Date tabled in Senate	Date tabled in House of Representatives
International Air Services Commission annual report 2013-14	International Services Commission Act 1992	01/08/2014	21/08/2014	21/08/2014	24/09/2014	24/09/2014
Australian Rail Track Corporation Limited annual report 2013-14.	<i>Corporations Act 2001</i> <i>CAC Act 1997</i>	n/a	17/10/2014	17/10/2014	28/10/2014	28/10/2014
National Heavy Vehicle Regulator annual report 2013-14	<i>Heavy Vehicle National Law Act 2012 (QLD)</i>	26/09/2014	21/10/2014	23/10/2014	17/11/2014	30/10/2014
Civil Aviation Safety Authority annual report 2013-14	<i>CAC Act 1997</i> <i>Civil Aviation Act 1988</i>	01/10/2014	16/09/2014	16/09/2014	27/10/2014	23/10/2014
Airservices Australia annual report 2013-14	<i>Air Services Act 1995</i> <i>CAC Act 1997</i>	n/a	03/10/2014	03/10/2014	28/10/2014	28/10/2014
Moorebank Intermodal Company report 2014	<i>Corporations Act 2001</i> <i>CAC Act 1997</i>	n/a	30/09/2014	30/09/2014	28/10/2014	28/10/2014
Australian River Co. Limited financial report for the year ended 30 November 2013	<i>Corporations Act 2001</i> <i>CAC Act 1997 (section 36)</i>	n/a	28/02/2014	03/03/2014	14/05/2014	14/05/2014
National Transport Commission annual report 2013-14	<i>National Transport Commission Act 2003</i>	15/10/2014	13/10/2014	21/10/2014	28/10/2014	28/10/2014
Australian Maritime Safety Authority annual report 2013-14	<i>CAC Act 1997</i> <i>Australian Maritime Safety Authority Act 1990</i>	18/09/2014	18/09/2014	03/10/2014	29/10/2014	29/10/2014
Department of Infrastructure and Regional Development annual report 2013-14	<i>Public Service Act 1999</i> <i>FMA Act 1997</i>	18/10/2014	21/10/2014	21/10/2014	17/11/2014	30/10/2014

	Legislation	Date of transmittal letter	Date sent to minister	Date received by minister	Date tabled in Senate	Date tabled in House of Representatives
Australian Transport Safety Bureau annual report 2013-14	<i>Transport Safety Investigation Act 2003</i> <i>FMA Act 1997</i>	07/10/2014	09/10/2014	10/10/2014	17/11/2014	30/10/2014
Airservices Australia—Corporate plan 1 July 2014 to 30 June 2019	Airservices Act 1995	n/a	19/05/2014	30/05/2014	15/07/2014	14/07/2014
ARTC Statement of Corporate Intent 2014-15	<i>Commonwealth Government Business Enterprise Governance and Oversight Guidelines October 2011</i>	n/a	31/05/2014	02/06/2014	23/09/2014	04/09/2014
Airservices Australia - Report on Movement Cap for Sydney Airport – quarterly report on the maximum movement limit for the period 1 January to 31 March 2014	<i>Section 9 of the Sydney Airport Demand Management Act 1997</i>	n/a	28/01/2014	29/04/2014	17/06/2014	03/06/2014
Airservices Australia - Report on Movement Cap for Sydney Airport – quarterly report on the maximum movement limit for the period 1 April to 30 June 2014	<i>Section 9 of the Sydney Airport Demand Management Act 1997</i>	16/09/2014	16/09/2014	17/09/2014	27/10/2014	20/10/2014

