

# 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 30 April 2015. 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>

1.2 This is the second 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.

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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 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 November 2014 and 30 April 2015. The committee examined the following reports:

#### *Agriculture Portfolio*

- Grape and Wine Research and Development Corporation—Report for 2013-14;
- Wine Australia Corporation —Report for 2013-14;
- Rural Industries Research and Development Corporation—Report for 2013-14;
- Fisheries Research and Development Corporation—Report for 2013-14;
- Grains Research and Development Corporation—Report for 2013-14;
- Cotton Research and Development Corporation—Report for 2013-14;
- Australian Fisheries Management Authority—Report for 2013-14;
- Queensland Fisheries Joint Authority—Reports for 2006-07 to 2012-13;
- Queensland Fisheries Joint Authority—Report for 2013-14;
- Northern Territory Fisheries Joint Authority—Reports for 2008-09 to 2012-13;
- Northern Territory Fisheries Joint Authority—Report for 2013-14;
- Western Australian Fisheries Joint Authority—Reports for 2005-06 to 2012-13;
- Western Australian Fisheries Joint Authority—Report for 2013-14;
- National Rural Advisory Council—Report for 2013-14; and
- Dairy Australia Limited—Report for 2013-14.

#### *Infrastructure and Regional Development Portfolio*

- National Capital Authority—Report for 2013-14.

1.6 Appendix 1 sets out a complete list of reports referred to the committee during the period 1 November 2014 and 30 April 2015 (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 documents were referred to the committee but have not been examined:

- Airservices Australia—Report on Movement Cap for Sydney Airport—Quarterly report on the maximum movement limit for the period 1 July to 30 September 2014;
- Airservices Australia—Report on Movement Cap for Sydney Airport—Quarterly report on the maximum movement limit for the period 1 October to 31 December 2014; and
- Report for 2013-14 in relation to compliance with the statutory funding agreement between the Commonwealth of Australia and Dairy Australia Limited;
- Joint Australian and Western Australian Government Response to the Review of the Implementation of the Regional Forest Agreement for the South-West Forest Region of Western Australia for the Period 1999-2009;
- Joint Australian and New South Wales Government Response to the Final Report on Progress with Implementation of NSW Regional Forest Agreements: Report of Independent Assessor: February 2014; and
- Local Government National— Report for 2011-12.

### 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*;<sup>2</sup> 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.<sup>3</sup>

### **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.<sup>4</sup> Those agencies reporting under the CAC Act are required to provide 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 there is a requirement upon them to ensure that annual reports are tabled in Parliament by 31 October.<sup>6</sup>

1.12 The committee observes 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.

1.13 The committee also notes the extremely overdue provision of annual reports dating from 2008 to 2013 for the Northern Territory Fisheries Joint Authority, 2006 to 2013 for the Queensland Fisheries Joint Authority, and 2005 to 2013 for the Western Australia Fisheries Joint Authority. Under the *Fisheries Management Act 1991* (the Act), a joint authority is required to prepare a report on its activities in the immediately preceding financial year and the condition during that year of the relevant fisheries as soon as practicable after 30 June in each year. In addition, the Act requires that the Commonwealth minister ensure a copy of this report is to be presented before

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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.

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.

both the House of Representatives and the Senate as soon as practicable after the preparation of the report.<sup>7</sup>

1.14 While the committee acknowledges the explanation for the delay provided by the Australian Fisheries Management Authority in regard to the Queensland Fisheries Joint Authority, the committee strongly encourages the timely provision of future annual reports from these three authorities.

### **Comments on reports**

1.15 The committee notes that the 2013-14 annual reports of the Grape and Wine Research and Development Corporation (GWRDC) and the Wine Australia Corporation (Wine Australia) were the final reports for these two bodies. The Australian Grape and Wine Authority (AGWA), formed on 1 July 2014 through the amalgamation of GWRDC and Wine Australia, will present its first report for the period 2014-15. The committee notes the work of both GWRDC and Wine Australia during the transition period and will follow the progress of AGWA in its goals of improved strategic alignment and research for the wine industry in its future reports on annual reports.

1.16 The committee considers that all reports received were 'apparently satisfactory'. The following chapter of this report examines selected annual reports in further detail.

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7 *Fisheries Management Act 1991*, p 115.

