

The Senate

Rural and Regional Affairs
and Transport
Legislation Committee

Annual reports (No. 2 of 2018)

September 2018

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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 2016–17 financial year, tabled between 1 November 2017 and 30 April 2018. The committee is responsible for examining the annual reports of departments and agencies within the portfolios of:

- Agriculture and Water Resources; and
- Infrastructure, Regional Development and Cities.¹

1.2 This is the second of two reports on annual reports that the committee is required to produce in 2018.

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 is required to:

- (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

1.4 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 the following annual reports, tabled in the Senate or presented out of session to the President of the Senate and referred to the committee between 1 November 2017 and 30 April 2018:

Agriculture and Water Resources portfolio

- Australian Grape and Wine Authority – Annual Report 2016–17;
- Cotton Research and Development Corporation – Annual Report 2016–17;
- Fisheries Research and Development Corporation – Annual Report 2016–17;
- Grains Research and Development Corporation – Annual Report 2016–17;
- Murray-Darling Basin Authority – Annual Report 2016–17;
- Rural Industries Research and Development Corporation – Annual Report 2016–17;
- Australian Livestock Export Corporation Limited – Annual Report 2016–17;
- Dairy Australia Limited – Annual Report 2016–17;
- Northern Territory Fisheries Joint Authority – Report for the Period 1 July 2016 to 30 June 2017;
- Western Australian Fisheries Joint Authority – Report for the Period 1 July 2016 to 30 June 2017; and
- Queensland Fisheries Joint Authority – Report for the Period 1 July 2016 to 30 June 2017.

Infrastructure, Regional Development and Cities portfolio

- Australian Rail Track Corporation Limited – Annual Report 2016–17; and
- National Heavy Vehicle Regulatory – Annual Report 2016–17.

Reports not examined

1.6 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 in this report:

- Report to the Parliament in relation to the Funding Agreement 2017-21 with the Australian Livestock Export Corporation Limited (LiveCorp) for the financial year 2016–17;

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- Report to the Parliament in relation to the Statutory Funding Agreement 2013-17 with Dairy Australia Limited (DA) for the financial year 2016–17;
 - Murray-Darling Basin Authority – Basin Plan Evaluation 2017;
 - Report to the Parliament on Livestock Mortalities During Export by Sea for the Reporting Period 1 July to 31 December 2017;
 - Amendment No.1 of the Central Highlands Regional Forest Agreement – 26 March 2018;
 - Amendment No.2 of East Gippsland Regional Forest Agreement – 26 March 2018;
 - Amendment No.1 of North East Regional Forest Agreement – 26 March 2018;
 - *Sydney Airport Demand Management Act 1997* – Quarterly report on the maximum movement limit for Sydney Airport for the period 1 July to 30 September 2017; and
 - Airservices Australia – Report on Movement Cap for Sydney Airport – Fourth Quarter 2017 – 1 October 2017 to 31 December 2017.

Annual reporting requirements

1.7 The *Public Governance, Performance and Accountability Act 2013* (PGPA Act) established a performance reporting framework for all Commonwealth entities and companies. The performance framework is based on section 38 of the PGPA Act which requires all Commonwealth entities to measure and assess their performance.

1.8 The performance framework established under the PGPA Act includes the requirement for Commonwealth entities to prepare a corporate plan and annual performance statements. The Public Governance, Performance and Accountability Rule 2014 (PGPA Rule 2014) contain the minimum requirements to be included.

1.9 Section 39 of the PGPA Act requires all Commonwealth entities to prepare an annual performance statement and include those statements in their annual reports. Entities use the annual performance statements to report on the results achieved against the targets, goals and measures established at the beginning of a reporting year in corporate plans and Portfolio Budget Statements.

1.10 Below is a summary of the legislative authority and requirements for the different types of bodies under which annual reports are prepared:

- Non-corporate Commonwealth entities: PGPA Act, section 46 and the PGPA Rule 2014, Division 3A(A); for portfolio departments and executive agencies, and for statutory bodies, relevant enabling legislation.
- Corporate Commonwealth entities: PGPA Act, section 46 and the PGPA Rule 2014, Division 3A(B); and for statutory bodies, relevant enabling legislation.

- Commonwealth companies: PGPA Act, section 97, which also refers to requirements under the *Corporations Act 2001* and the PGPA Rule, Part 3-3; and for statutory bodies, relevant enabling legislation.
- Non-statutory bodies: the annual reporting requirements are contained in the government response to the Senate Standing Committee on Finance and Public Administration's Report on Non-Statutory bodies.²

Timeliness

1.11 Standing Order 25(20)(c) requires the committee to report to the Senate on the late presentation of annual reports. In assessing the timeliness of the presentation of annual reports, the committee assesses the presentation against the requirements of different categories of bodies, the PGPA Rule 2014 and other legislative requirements.

Commonwealth entities

1.12 Section 46 of the PGPA Act requires the provision of an annual report of a Commonwealth entity to the responsible minister by the 15th day of the fourth month after the end of the reporting period for the entity. This section of the Act does not, however, provide for a timeframe for the minister to present the report to the Parliament.

Commonwealth companies

1.13 Section 97 of the PGPA Act sets out the requirements for the provision of annual reports of Commonwealth companies to the responsible minister. Under subsection 97(2) of the PGPA Act a company is to provide a report:

- (a) if the company is required by the *Corporations Act 2001* to hold an annual general meeting—the earlier of the following:
 - (i) 21 days before the next annual general meeting after the end of the reporting period for the company;
 - (ii) 4 months after the end of the reporting period for the company; and
- (b) in any other case—4 months after the end of the reporting period for the company; or the end of such further period granted under subsection 34C(5) of the *Acts Interpretation Act 1901*.

1.14 Subsection 97(5) of the PGPA Act states that:

(5) If the Commonwealth company is a wholly-owned Commonwealth company, or is not required to hold an annual general meeting, the responsible Minister must table the documents in each House of the Parliament as soon as practicable after receiving them. In all other cases, the responsible Minister must table the documents in each House of the Parliament as soon as practicable after the annual general meeting of the company.

2 *Senate Hansard*, 8 December 1987, pp. 2642–45.

PGPA Rule 2014

1.15 The PGPA Rule 2014 states that annual reports for corporate Commonwealth entities, non-corporate Commonwealth entities and Commonwealth companies must comply with the *Guidelines for the Presentation of Documents to the Parliament*, which is prepared by the Department of the Prime Minister and Cabinet.³

1.16 The guidelines advise that for all entities:

As per past practice, it is expected that the responsible Minister will present the report to each House of Parliament on or before 31 October. If the 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. This ensures that annual reports are available for scrutiny by the relevant Senate standing committee.⁴

1.17 Entities reporting in accordance with their own legislation are often required to prepare for the relevant minister their annual report 'as soon as is practicable' after the end of the particular period to which the report relates. The committee draws attention to subsections 34C(2) and 34C(3) of the *Acts Interpretation Act 1901*, which stipulate that where no date for providing a report to a minister is specified, the report should be presented no more than six months after the reporting period, and the minister must provide the report to the Parliament within 15 days after the minister receives it.

Timeliness of reports examined

1.18 The presentation of annual reports to the Parliament has two elements with regard to timeliness: the furnishing of the report to the minister and the presentation of the report to the Parliament.

1.19 Appendix 1 sets out a complete list of documents referred to the committee during the period 1 November 2017 and 30 April 2018 (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.

1.20 The committee notes that most entities presented their report to the responsible minister within the specified timeframe. With respect to the tabling of annual reports, all annual reports were tabled within 15 sitting days of receipt.

1.21 The committee will continue to monitor the timeliness of future annual reports.

3 See PGPA Rule 2014, sections 17AB, 17BC and 28C.

4 Department of the Prime Minister and Cabinet, *Guidelines for the Presentation of Documents to the Parliament (including Government Documents, Government Responses to Committee Reports, Ministerial Statements, Annual Reports and other Instruments)*, August 2016, pp. 4–5.

Apparently satisfactory

1.22 Standing Order 25(20)(a) requires the committee to report to the Senate on whether the annual reports of departments and agencies in its portfolio are 'apparently satisfactory'. In making this assessment, the committee considers aspects including timeliness of presentation and compliance with the relevant reporting requirements.

1.23 The committee considers that all annual reports referred during the reporting period were 'apparently satisfactory'. The following chapter examines selected annual reports in further detail.

Chapter 2

Annual reports of agencies

2.1 The committee selected the annual reports of the following bodies for closer examination:

Agriculture and Water Resources portfolio

- Fisheries Research and Development Corporation; and
- Murray-Darling Basin Authority.
- Rural Industries Research and Development Corporation; and
- Grains Research and Development Corporation.

Infrastructure and Regional Development portfolio

- Australian Rail Track Corporation.

2.2 The committee also examined the National Heavy Vehicle Regulator Annual Report 2016–17. The committee found the report to be in compliance with reporting requirements but did not examine the report in detail.

Agriculture and Water Resources Portfolio

Fisheries Research and Development Corporation

2.3 The 2016–17 Annual Report of the Fisheries Research and Development Corporation (FRDC) was tabled in the Senate on 4 December 2017. The report provides an overview of the activities and achievements of the agency over the previous year.

Directors' review

2.4 The Director's review of operations and future prospects outlined the FRDC's key activities over the year in review. These included:

- funding projects to support the prawn farming industry to respond to the outbreak of White Spot Disease;
- contributing funds to the Future Oysters Cooperative Research Centre Project;
- introducing a new people's choice category as part of the National Fish and Chip Awards;
- monitoring the environmental impacts of Atlantic Salmon farming in Tasmania; and
- finalising the *Success through innovation: The National Fishing and Aquaculture Research Development and Extension Strategy 2016*.¹

1 Fisheries Research and Development Corporation, *Annual Report 2016–17*, pp. 5–11.

Foundational programs

2.5 FRDC has five foundation programs: Environment, Industry, Communities, People and Adoption.

2.6 The annual report details the agency's achievement of the performance indicators, as well as key projects within each of these programs.

Environment program

2.7 During 2016–17, FRDC contributed approximately 30.6 per cent (\$7.46 million) of its total research and development (R&D) investment to this program.

2.8 One of the FRDC's key projects under the Environment program is the \$15 million National Carp Control Plan (NCCP). The purpose of the plan is to evaluate the benefit of biological control of carp through the use of a carp virus (*Cyprinid herpesvirus*).² The FRDC provides further details about the program:

The first step is to evaluate whether the virus will effectively deliver a significant reduction in carp impacts and achieve a 95 per cent reduction in carp by 2045, at an acceptable cost. The earliest possible release date for carp virus, pending approvals, is late 2018.³

2.9 Another key project under FRDC's environment program is the tagging of Patagonian Toothfish. The purpose of the tagging is to determine the nature of the relationship between the Australian Heard Island and McDonald Islands Patagonian Toothfish fishery and adjacent French Kerguelen Islands fishery.⁴

Industry program

2.10 In 2016–17, FRDC contributed \$12.31 million to this program.

2.11 One of the three performance indicators for the program is the development of processes and technologies to improve the efficiency of governance and regulatory systems for fishing.

2.12 A key project under the program is that of the Deckhand reporting app which enables fishers to fulfil their reporting requirements to government digitally. FRDC funding to Deckhand enabled all 168 South Australia's Southern Rock Lobster fishing vessels in the fishery's southern zone to record the details of fishing sessions, from path and pots to catch, time and location during the 2016–17 season.⁵

Communities program

2.13 FRDC contributed \$0.98 million or approximately four per cent of its R&D investment to its Communities program.

2 Fisheries Research and Development Corporation, *Annual Report 2016–17*, p. 60.

3 Fisheries Research and Development Corporation, *Annual Report 2016–17*, p. 60.

4 Fisheries Research and Development Corporation, *Annual Report 2016–17*, p. 61.

5 Fisheries Research and Development Corporation, *Annual Report 2016–17*, p. 66.

2.14 FRDC supported two research projects under this program. The first project, conducted by researchers at CSIRO and James Cook University is titled *Beyond GVP: The value of inshore commercial fisheries to fishers and consumers in regional communities on Queensland's east coast*. Its researchers have found that Queensland inshore fisheries have a substantial flow-on effect in generating income for regional economies and in benefits to local consumers.⁶

2.15 The second project, titled *Beyond GVP: Social and economic evaluation of New South Wales coastal commercial wild-catch fisheries* was conducted by the University of Technology, Sydney. This research highlighted the importance of wild-catch fishing to the social and economic lives of NSW coastal communities.⁷

People program

2.16 During 2016–17, FRDC contributed approximately five per cent (\$1.34 million) of R&D investment towards this program. The program had four performance indicators, all of which are on track for completion. Key projects of this program included:

- delivery of the FRDC-sponsored award at the 2017 Science and Innovation Awards for Young People in Agriculture, Fisheries and Forestry;
- sponsorship of two participants in the Australian Rural Leadership Foundation's 23rd cohort; and
- sponsorship of two Nuffield Australia Farming Scholars for 2017.⁸

Adoption program

2.17 The fifth program is Adoption. This program made up ten per cent (\$2.32 million) of total R&D investment. The key projects within this program included:

- sponsorship of the Electrolux Appetite for Excellence tour, which seeks to teach young leaders in the hospitality industry about the seafood industry; and
- development of a six-part pilot series called Seafood Escape, focused on demonstrating how sustainable seafood is sourced and examining the ways in which seafood has been incorporated into Australian cuisine.⁹

Staffing information

2.18 In 2016–17, FRDC had an average of 20 staff positions spread amongst 24 people of whom seven worked part time. In addition to its core staff, more than 1000 people work on FRDC projects around the country. These include 250 principal

6 Fisheries Research and Development Corporation, *Annual Report 2016–17*, p. 70.

7 Fisheries Research and Development Corporation, *Annual Report 2016–17*, p. 71.

8 Fisheries Research and Development Corporation, *Annual Report 2016–17*, pp. 74–78.

9 Fisheries Research and Development Corporation, *Annual Report 2016–17*, pp. 81–82.

investigators, 450 co-investigators, 200 project officers, 80 administration staff and 50 financial staff.¹⁰

Financial information

2.19 In 2016–17, FRDC's total expenditure amounted to \$29.26 million, of which \$24.41 million was spent on research and development projects, and \$4.85 million was spent on management and accountability.

2.20 FRDC's total income in 2016–17 was \$37.32 million. Income sources included:

- industry contributions: \$8.18 million;
- total government contributions: \$21.76 million;
- project funds from other parties: \$5.63 million; and
- other revenue: \$1.75 million.¹¹

Committee comments

2.21 The committee considers FRDC's annual report to be compliant with reporting requirements. The report details the activities and achievements of the agency.

2.22 The committee considers that the report could be enhanced by the inclusion of a more detailed overview of the organisational structure, including an organisational chart.

Murray-Darling Basin Authority

2.23 The 2016–17 Annual Report of the Murray-Darling Basin Authority (MDBA) presented information on the performance and operations of the agency. The report was tabled in the Senate on 29 November 2017.

Chief Executive's review

2.24 The Chief Executive's review outlined a number of the MDBA's key achievements over the year in review.

2.25 As part of efforts to build better relationships with Basin communities, the MDBA established three new regional offices over the year in Adelaide, Albury-Wodonga and Toowoomba. It also created a Regional Engagement Officer pilot program as part of its regionalisation efforts. Under this program, seven part-time officers located within community, natural resource management or local government organisations across the Basin were employed to serve as a conduit between MDBA and Basin communities.

2.26 As part of MDBA efforts to progress the implementation of the Basin Plan, the first state water resource plan, from the Warrego-Paroo-Nebine area in

10 Fisheries Research and Development Corporation, *Annual Report 2016–17*, p. 19.

11 Fisheries Research and Development Corporation, *Annual Report 2016–17*, p. i.

Queensland, was accredited. In addition, the MDBA completed its Northern Basin Review. During the review period, the MDBA met with or received evidence from approximately 450 organisations and individuals. The MDBA proposed changes to the Basin Plan based on the review findings.¹²

Key activities

2.27 The MDBA's performance is managed against a single outcome while its key performance indicators are measured against five strategic goals.

2.28 All key performance indicators (KPIs) across the strategic priorities were met.¹³

Strategic goal one

2.29 This goal is to lead the implementation of the Basin Plan to achieve a healthy working Murray-Darling Basin. The MDBA conducted a number of key activities to progress the implementation of the Basin Plan including:

- completion of the Northern Basin Review;
- publication of the Basin Plan environmental watering priorities;
- further development of the MDBA's compliance function, including establishing a compliance committee with an independent expert panel; and
- achieving Basin Plan salinity target values in four of five monitoring sites.¹⁴

Strategic goal two

2.30 Strategic goal two is to strengthen engagement with the community. Activities undertaken to achieve this goal included:

- engaging with more than 1000 stakeholders across the Basin through the Basin Plan amendment consultation and submission process;
- establishing a four-year funding agreement with the Murray Lower Darling Indigenous Nations and the Northern Basin Aboriginal Nations; and
- launching River Stories on its website to provide information on the social, environmental and political history of water resource management and collaboration in the Basin.¹⁵

Strategic goal three

2.31 Strategic goal three is to evaluate and report the social, economic and environmental outcomes of Basin water reforms. Some of the key activities over the review period directed at achieving this goal included:

12 Murray-Darling Basin Authority, *Annual Report 2016–17*, pp. 10–11.

13 Murray-Darling Basin Authority, *Annual Report 2016–17*, pp. 16–20.

14 Murray-Darling Basin Authority, *Annual Report 2016–17*, pp. 16, 21–28.

15 Murray-Darling Basin Authority, *Annual Report 2016–17*, pp. 29–34.

- completing the third Basin Plan annual effectiveness report;
- carrying out the River Murray Water Quality Monitoring Program in conjunction with the Basin states; and
- implementing the Basin Salinity Management 2030 Strategy, including the production of a video which highlights successive salinity management strategies in the Basin.¹⁶

Strategic goal four

2.32 Strategic goal four is to operate the River Murray system efficiently for partner governments. Key activities directed at achieving this goal undertaken over the year in review include:

- determining state water entitlements in accordance with the Murray-Darling Basin Agreement;
- constructing five new fishways at the Lower Lakes barrages; and
- installing equipment to enable the refurbishment of the 50 tonne Dartmouth Dam coaster gate.¹⁷

Strategic goal five

2.33 Strategic goal five is to improve the knowledge base to support sustainable water resource management. The report outlined key activities within this goal, including:

- completion of the Northern Basin Review and the publication of supporting technical reports;
- development of a modelling platform to estimate future floodplain inundation patterns;
- completion of the independent review of the Source Murray model;
- working with the Arthur Rylah Institute to rebuild the Murray Stand Condition Tool for Basin-wide application; and
- commissioning the University of New South Wales to provide advice and analysis on achieving waterbird targets in the Basin.¹⁸

Staffing information

2.34 In order to strengthen workforce planning practices, in 2016–17, the MDBA implemented initiatives contained in its Strategic Workforce Plan 2016–26. The plan enables the MDBA to proactively manage risks associated with workforce capacity,

16 Murray-Darling Basin Authority, *Annual Report 2016–17*, pp. 35–45.

17 Murray-Darling Basin Authority, *Annual Report 2016–17*, pp. 46–65.

18 Murray-Darling Basin Authority, *Annual Report 2016–17*, pp. 66–71.

capability and flexibility. It guides recruitment, development and retention strategies to deliver the MDBA's objectives.¹⁹

2.35 As of 30 June 2017, the MDBA had a staff of 307 of whom 283 were ongoing.²⁰

2.36 In December 2016, the MDBA launched a pilot Talent Management Program for APS6 and EL1 level employees. The six-month program is focused on developing the capacity of employees who have been identified with high potential.²¹

2.37 Other initiatives include the 2016–17 Summer Employment pilot program which offered undergraduate students the opportunity to gain insight into the MDBA's operations and the Australian Public Service over a 10-week period. There were eight positions offered under the program. The MDBA also ran a graduate program and in February 2017, nine graduates joined the agency.²²

2.38 In May 2017, the MDBA launched a Gender Equality Strategy. Some of the initiatives outlined in the strategy include support for women to enter leadership positions, training for flexible work and unconscious bias, mentoring, supporting staff on parental leave, and the establishment of a Gender Officer. A review of the MDBA's data against APS data found that the agency is performing strongly but that there is scope to improve the gender balance at the Executive Level (EL) 2 level.²³

FOI requests

2.39 In 2016–17, the MDBA received eight freedom of information requests. According to the annual report, all requests were processed in accordance with the statutory timeframes, and all reporting obligations under the *Freedom of Information Act 1982* were met.²⁴

Financial information

2.40 In 2016–17, the MDBA reported an operating surplus of \$2.4 million, compared to an approved operating deficit of \$9.4 million. It noted that the significant fluctuations in spending against the budget were due to the 'impact of the complex nature of joint programs, which reflect a high level of inherent risk associated with capital construction and environmental projects'.²⁵

2.41 Over the year in review, the MDBA delivered programs costing \$151.8 million, and managed over \$4.9 billion in assets (gross value), including River Murray

19 Murray-Darling Basin Authority, *Annual Report 2016–17*, p. 86.

20 Murray-Darling Basin Authority, *Annual Report 2016–17*, p. 93.

21 Murray-Darling Basin Authority, *Annual Report 2016–17*, p. 88.

22 Murray-Darling Basin Authority, *Annual Report 2016–17*, pp. 86–87.

23 Murray-Darling Basin Authority, *Annual Report 2016–17*, p. 89.

24 Murray-Darling Basin Authority, *Annual Report 2016–17*, p. 85.

25 Murray-Darling Basin Authority, *Annual Report 2016–17*, p. 96.

Operations infrastructure and water entitlements acquired under The Living Murray Initiative.²⁶

Committee comments

2.42 The committee considers that the MDBA's annual report is compliant with relevant legislation and provides a thorough explanation of the activities and achievements of the agency over the review period.

Rural Industries Research and Development Corporation

2.43 The 2016–17 Annual Report of the Rural Industries Research and Development Corporation (RIRDC) details information on the performance and operations of the agency. The report was presented to the Senate out-of-session on 12 December 2017.

Chair's report

2.44 The Chair's report outlined the key achievements of the RIRDC over the year in review. These included:

- the management of 206 projects and 78 research agreements;
- the allocation of more than \$132 million in funding;
- research into biocontrol of weeds, in cooperation with 25 partners, worth \$13 million; and
- a \$3.5 million cross-sectoral seasonal forecasting project.

2.45 As part of its commitment to regional Australia, the RIRDC's headquarters were relocated from Canberra, ACT to Wagga Wagga, NSW in September 2016. There were no substantial impacts on the level of service provided to industries and stakeholders as a result of the relocation.²⁷

Key outcomes

2.46 The purpose of the RIRDC is 'to increase knowledge and understanding that fosters innovation, adaptive and valuable rural industries'. The RIRDC measures its outcomes against three goals and four key performance indicators (KPIs).

2.47 All four key performance indicators were achieved. Details on the three goals are provided below.²⁸

Goal one

2.48 Goal one is to discover emerging opportunities and issues impacting rural industries. The key strategies outlined in the report which are used to achieve this goal include:

26 Murray-Darling Basin Authority, *Annual Report 2016–17*, p. 11.

27 Rural Industries Research & Development Corporation, *Annual Report 2016–17*, pp. 10–11.

28 Rural Industries Research & Development Corporation, *Annual Report 2016–17*, pp. 20–21.

- analysing priority issues and technologies that impact on the value and resilience of Australian rural industries;
- strategic research investments based on the feasibility, value and potential competitiveness of plant and animal industry opportunities; and
- facilitating the development and delivery of national cross-sectoral initiatives that address priority issues.

2.49 These strategies have been pursued through research programs into new and emerging animal industries, new and emerging plant industries, national rural issues and cross-sectoral initiatives.²⁹

Goal two

2.50 This goal is to deliver research that achieves value for rural industries and for Australia. The following strategies are utilised to achieve this goal:

- working with industries and other stakeholders to prioritise and efficiently administer research;
- facilitating adoption and commercialisation customised to target audience and industry preferences; and
- developing customised tools, systems and partnerships to support efficiently cross-sectoral research investment.

2.51 Programs aimed at achieving this goal are focused on research into chicken meat, ginger, honey bees and pollination, rice and tea tree oil.³⁰

2.52 The RIRDC also focused on workplace health and safety under this goal through the Primary Industries Health and Safety Partnership.³¹

Goal three

2.53 Goal three is to encourage diversity and advance the potential of people in rural industries and their communities. The strategies used to achieve this goal include:

- investment in leadership and capacity building programs;
- encouraging the adoption of new practices and technologies in rural industries; and
- increasing the connectedness of people in the rural sector and their communities.³²

2.54 These strategies have been pursued through the Investing in People program to develop leadership and meet future demand for skilled workers. The program is

29 Rural Industries Research & Development Corporation, *Annual Report 2016–17*, p. 24.

30 Rural Industries Research & Development Corporation, *Annual Report 2016–17*, p. 40.

31 Rural Industries Research & Development Corporation, *Annual Report 2016–17*, p. 68.

32 Rural Industries Research & Development Corporation, *Annual Report 2016–17*, p. 70.

focused on the provision of scholarships and other initiatives aimed at building skills and leadership amongst people in the rural sector.³³

Staffing information

2.55 As at 30 June 2017, the RIRDC had 15 employees.³⁴

2.56 In addition to its staff, the RIRDC also used a number of consultancy services during 2016–17. The sum cost of these services totaled \$203,274.83. Two of these consultancies continued beyond the year in review.³⁵

Financial information

2.57 In 2016–17, the RIRDC's expenditure totaled \$26.5 million. Of this, \$22.9 million was directed towards research programs. This represented an increase of over \$5 million on the previous year's research program expenditure.

2.58 The RIRDC's total income in 2016–17 was \$23.3 million. Sources included:

- Commonwealth appropriations: \$9.2 million;
- industry levies: \$3.2 million;
- Commonwealth matching contribution: \$4 million;
- interest: \$600,000; and
- other income: \$6.2 million.³⁶

2.59 The deficit of \$3.2 million was officially approved by the Department of Finance during the reporting period.³⁷

Committee comments

2.60 The committee considers RIRDC's annual report to be compliant with reporting requirements. The report details the research programs, achievements and other activities of the agency.

2.61 The committee encourages the RIRDC to ensure attention to detail in future reports. In particular, the page numbers referenced in the compliance index are inconsistent with the actual page numbers (for example, the compliance index directs the reader to page 142 for the organisation structure; however it actually appears on page 158. This also differs from the online version in which it appears on page 160).

Grains Research and Development Corporation

2.62 The 2016–17 Annual Report of the Grains Research and Development Corporation (GRDC) was tabled in the Senate on 4 December 2017. The report

33 Rural Industries Research & Development Corporation, *Annual Report 2016–17*, p. 72.

34 Rural Industries Research & Development Corporation, *Annual Report 2016–17*, p. 109.

35 Rural Industries Research & Development Corporation, *Annual Report 2016–17*, p. 102.

36 Rural Industries Research & Development Corporation, *Annual Report 2016–17*, p. 82.

37 Rural Industries Research & Development Corporation, *Annual Report 2016–17*, p. 124.

provides an overview of the performance and activities of the agency over the year in review.

- 2.63 The report outlines the highlights of 2016–17 for the GDRC. These included:
- \$198 million invested in 700 research and development projects;
 - the commitment of \$15 million to boost grains research infrastructure;
 - the commitment with the Cotton Research and Development Corporation to jointly fund the Future Farm Program; and
 - 84 percent of growers rating the GRDC's performance as an investor in grain research as 'fairly high to very high'.³⁸

2.64 The report outlines GRDC's progress against six performance criteria themes consisting of fifteen key performance indicators (KPIs). In 2016–17, the GRDC achieved fourteen KPIs and almost achieved the final one.³⁹

Financial information

2.65 The GRDC's revenue in 2016–17 totaled \$242.4 million.⁴⁰ Sources of revenue included:

- industry contributions: \$139.3 million;
- royalties: \$11.6 million; and
- grants income: \$2.4 million.⁴¹

2.66 Expenditure during the period in review totaled \$227.7 million.⁴² Sources of expenditure included:

- research and development: \$198.1 million;
- employee benefits: \$10.9 million; and
- suppliers, depreciation and others: \$18.7 million.⁴³

2.67 The GRDC recorded a surplus of \$14.7 million in 2016–17.

Committee comments

2.68 The committee commends the GRDC for the comprehensive compliance and alphabetical indices.

38 Grains Research and Development Corporation, *Annual Report 2016–17*, pp. ii–iii.

39 Grains Research and Development Corporation, *Annual Report 2016–17*, p. 14.

40 Grains Research and Development Corporation, *Annual Report 2016–17*, p. iv.

41 Grains Research and Development Corporation, *Annual Report 2016–17*, p. 69.

42 Grains Research and Development Corporation, *Annual Report 2016–17*, p. iv.

43 Grains Research and Development Corporation, *Annual Report 2016–17*, p. 69.

2.69 The committee considers the 2016–17 Annual Report to be compliant with reporting requirements and commends the GRDC for producing a clear, well-written report.

Infrastructure, Regional Development and Cities portfolio

Australian Rail Track Corporation

2.70 The 2016–17 Annual Report of the Australian Rail Track Corporation (ARTC) was presented to the Senate out-of-session on 1 November 2017. The report provides an overview of the activities and operations of the agency.

Key projects

Hunter Valley Network

2.71 A firming of coal prices saw business grow out of the Port of Newcastle, leading to the Hunter Valley network delivering over 160 million tonnes of export coal through the port during the year in review. The network also saw a record year for grain exports.

2.72 Upgrades to tracks along the Central North West network and to the link between Muswellbrook and Turravan have resulted in heavier and faster trains operating on this route. This resulted in a 30 per cent increase in payload on the Central North West section.⁴⁴

2.73 Significant progress was made on the ARTC Network Control Optimisation (ANCO). The project aims to use digital tools to optimise train paths and make in-real-time adjustments. These changes to efficiency have the potential to save hundreds of millions of dollars over the next ten years.⁴⁵

Interstate Network

2.74 The interstate network saw a 5 per cent increase in volume in 2016–17, driven mainly by an excellent harvest season. While the economic downturn in Western Australia reduced demand on the East West corridor, this downturn was offset by an increase in volume on the North South corridor.

2.75 The interstate team achieved the milestone of a year without any injuries resulting in lost time. This was achieved through initiatives including the Fatal and Severe Risk Program, quarterly Safety Awards, and proactive safety reporting.⁴⁶

2.76 Projects commissioned or significantly progressed during 2016–17 included:

- the Adelaide–Tarcoola Re–Railing Acceleration Upgrade;
- Wodonga Intermodal Park Project;
- Bromelton Intermodal Facility and Quarry; and

44 Australian Rail Track Corporation, *Annual Report 2016–17*, p. 18.

45 Australian Rail Track Corporation, *Annual Report 2016–17*, p. 22.

46 Australian Rail Track Corporation, *Annual Report 2016–17*, p. 24.

- Stage 3 of the Port Botany Rail Line Project.⁴⁷

Inland Rail

2.77 The period in review has seen a progression of planning, land acquisition and design as part of the Inland Rail pre-construction activities.

2.78 The ARTC has been working with shareholders on the funding strategy for Inland Rail. The cornerstone of the strategy is an additional equity investment of \$8.4 billion over seven years from 2017–18. Additionally, the ARTC will enter into a Public Private Partnership (PPP) for the Gowrie to Kagaru section.

2.79 Inland Rail offices were established in Sydney, Brisbane, Toowoomba and Melbourne with 120 people employed across the four locations.⁴⁸

Staffing information

2.80 As of 30 June 2017, the ARTC employed over 1,200 people across the rail network.

2.81 Female representation increased by 20 percent during the year in review. ARTC's ongoing commitment to women in the workforce was acknowledged by the Australian Railway Association when it awarded the 2016 Rail Diversity Award to the ARTC. The agency was also awarded the Australian Women in Resources Alliance Award by the Australian Mines and Metals Association.

2.82 The ARTC conducted business acumen training across a range of roles. This included a focus on improving team engagement skills and promoting positive leadership behaviours.⁴⁹

Financial information

2.83 In 2016–17, the ARTC reported a profit from operating activities of \$180.3 million.

2.84 The total revenue and other income over the period in review amounted to \$826.8 million. The primary source of income was access revenue totalling \$713.8 million.

2.85 Expenditure during 2016–17 totalled \$646.5 million. Sources of expenditure included:

- depreciation and amortisation: \$188.6 million;
- infrastructure maintenance: \$148.8 million;
- employee benefits: \$165.3 million; and
- infrastructure costs: \$50.7 million.⁵⁰

47 Australian Rail Track Corporation, *Annual Report 2016–17*, pp. 28–29.

48 Australian Rail Track Corporation, *Annual Report 2016–17*, pp. 30–31.

49 Australian Rail Track Corporation, *Annual Report 2016–17*, pp. 38–39.

Committee comments

2.86 The committee considers that the ARTC's annual report is compliant with relevant legislation and provides a thorough explanation of the progress and achievements of the agency over the review period.

Senator Barry O'Sullivan

Chair

Appendix 1

Annual reports tabled during the period 1 November 2017 to 30 April 2018

Agriculture and Water Resources portfolio

Document	Legislation	Date of transmittal letter	Date sent to minister	Date received by minister	Date tabled in Senate	Date tabled in House of Representatives
Corporate Commonwealth entity						
Australian Grape and Wine Authority Report for 2016-17	Section 46 of the PGPA Act 2013	20 September 2017	12 October 2017	30 October 2017	27 November 2017	4 December 2017
Cotton Research and Development Corporation Report for 2016-17	Section 46 of the PGPA Act 2013	13 October 2017	13 October 2017	31 October 2017	27 November 2017	4 December 2017
Fisheries Research and Development Corporation – Annual Report 2016-17	Section 46 of the PGPA Act 2013	10 October 2017	13 October 2017	9 November 2017	4 December 2017	4 December 2017
Grains Research and Development Corporation – Annual Report 2016-17	Section 46 of the PGPA Act 2013	13 October 2017	13 October 2017	30 October 2017	4 December 2017	4 December 2017
Murray-Darling Basin Authority Report for 2016-17	Section 214 of the Water Act 2007	17 November 2017	27 November 2017	27 November 2017	29 November 2017	4 December 2017
Rural Industries Research and Development Corporation – Annual Report 2016-17	Section 46 of the PGPA Act 2013	13 October 2017	13 October 2017	24 November 2017	12 December 2017*	5 February 2018
Other body						
Australian Livestock Export Corporation Ltd - Annual Report 2016-17	Section 68D of the Australian Meat and Live-stock Industry Act 1997	N/A	23 January 2018	25 January 2018	6 February 2018	6 February 2018
Dairy Australia Ltd – Annual Report 2016-17	Section 13(2) of the Dairy Produce Act 1986	N/A	23 January 2018	25 January 2019	6 February 2018	6 February 2018
Northern Territory Fisheries Joint Authority – Report for the period 1 July 2016 to 30 June 2017	Section 70(1) of the Fisheries Management Act 1991	N/A	17 November 2017	5 December 2017	7 February 2018	7 February 2018

Western Australian Fisheries Joint Authority – Report for the period 1 July 2016 to 30 June 2017	Section 70(1) of the Fisheries Management Act 1991	N/A	17 November 2017	5 December 2017	7 February 2018	7 February 2018
Queensland Fisheries Joint Authority – Report for the period 1 July 2016 to 30 June 2017	Section 70(1) of the Fisheries Management Act 1991	N/A	17 November 2017	5 December 2017	7 February 2018	7 February 2018
Acts and other documents						
Report to the Parliament in relation to the Funding Agreement 2017-21 with the Australian Livestock Export Corporation Limited (LiveCorp) for the financial year 2016-17	Section 68D of the <i>Australian Meat and Live-stock Industry Act 1997</i>	N/A	23 January 2018	25 January 2018	6 February 2018	6 February 2018
Report to the Parliament in relation to the Statutory Funding Agreement 2013-17 with Dairy Australia Limited (DA) for the financial year 2016-17	Section 14 of the <i>Dairy Produce Act 1986</i>	N/A	23 January 2018	25 January 2018	6 February 2018	6 February 2018
Murray-Darling Basin Authority – Basin Plan Evaluation 2017	Section 52A of the Water Act 2007	N/A	23 February 2018	14 March 2018	26 March 2018	26 March 2018
Report to Parliament on Livestock Mortalities During Export by Sea for the Reporting Period 1 July to 31 December 2017	Division 5, Section 57AA of the Australian Meat and Live-stock Industry Act 1997	N/A	30 January 2018	26 February 2018	26 March 2018	26 March 2018
Amendment No.1 of the Central Highlands Regional Forest Agreement – 26 March 2018	Section 10(6) of the <i>Regional Forest Agreement Act 2002</i>	N/A	10 April 2018	11 April 2018	18 April 2018*	8 May 2018
Amendment No.2 of East Gippsland Regional Forest Agreement – 26 March 2018	Section 10(6) of the Regional Forest Agreement Act 2002	N/A	10 April 2018	11 April 2018	18 April 2018*	8 May 2018
Amendment No.1 of North East Regional Forest Agreement – 26 March 2018	Section 10(6) of the Regional Forest Agreement Act 2002	N/A	10 April 2018	11 April 2018	18 April 2018*	8 May 2018

Infrastructure, Regional Development and Cities portfolio

Document	Legislation	Date of transmittal letter	Date sent to minister	Date received by minister	Date tabled in Senate	Date tabled in House of Representatives
Commonwealth company						
Australian Rail Track Corporation Limited – Report for 2016-17	Section 97 of the PGPA Act 2013	N/A	23 October 2017	23 October 2017	1 November 2017*	4 December 2017
Other body						
National Heavy Vehicle Regulator – Annual Report 2016-17	Heavy Vehicle National Law Act 2012 (Qld) and Section 46 of the PGPA Act 2013	27 September 2017	15 November 2017	16 November 2017	4 December 2017	4 December 2017
Acts and other documents						
Sydney Airport Demand Management Act 1997 – Quarterly report on the maximum movement limit for Sydney Airport for the period 1 July to 30 September 2017	Section 9 of the Sydney Airport Demand Management Act 1997	N/A	1 November 2017	1 November 2017	27 November 2017	4 December 2017
Airservices Australia – Report on Movement Cap for Sydney Airport – Fourth Quarter 2017 – 1 October 2017 to 31 December 2017	Section 9 of the Sydney Airport Demand Management Act 1997	N/A	22 January 2018	22 January 2018	28 March 2018	28 March 2018

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

** Re-tabled with a replacement page.