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*GUIDELINES FOR DEPARTMENTAL
ANNUAL REPORTS*

*REPORT
304
JOINT
COMMITTEE
OF PUBLIC
ACCOUNTS*

*THE PARLIAMENT
OF THE
COMMONWEALTH
OF AUSTRALIA
NOVEMBER 1989*

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA
JOINT COMMITTEE OF PUBLIC ACCOUNTS

REPORT 304

**GUIDELINES FOR DEPARTMENTAL
ANNUAL REPORTS**

Australian Government Publishing Service
Canberra

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Sectional Committee on Guidelines for Departmental Annual Reports

Mr R E Tickner, MP (Chairman)

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DUTIES OF THE COMMITTEE

Section 8.(1) of the Public Accounts Committee Act 1951 reads as follows:

Subject to sub-section (2), the duties of the Committee are:

- (a) to examine the accounts of the receipts and expenditure of the Commonwealth including the financial statements transmitted to the Auditor-General under sub-section (4) of section 50 of the Audit Act 1901;
- (aa) to examine the financial affairs of authorities of the Commonwealth to which this Act applies and of intergovernmental bodies to which the Act applies;
- (ab) to examine all reports of the Auditor-General (including reports of the results of efficiency audits) copies of which have been laid before the Houses of the Parliament;
- (b) to report to both Houses of the Parliament, with such comment as it thinks fit, any items or matters in those accounts, statements and reports, or any circumstances connected with them, to which the Committee is of the opinion that the attention of the Parliament should be directed;
- (c) to report to both Houses of the Parliament any alteration which the Committee thinks desirable in the form of the public accounts or in the method of keeping them, or in the mode of receipt, control, issue or payment of public moneys; and
- (d) to inquiry into any question in connexion with the public accounts which is referred to it by either House of the Parliament, and to report to that House upon that question,

and include such other duties as are assigned to the Committee by Joint Standing Orders approved by both Houses of the Parliament.

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PREFACE

Over the last several years the management of the public service has changed dramatically, and these changes are continuing. Central to the changes is a shift in emphasis away from a focus on the activities of departments and toward a focus on results achieved by departments.

This Inquiry was initiated to determine whether and in what ways there was a need to revise the annual reporting requirements for Commonwealth departments. The central finding of the Inquiry is that, for departmental accountability to be compatible with the emerging performance emphasis in management, the approach to annual reporting must change fundamentally. If departments are to be judged by results, those results must be reported; and if annual reports are to facilitate and encourage assessments which emphasise results then annual reports must report results. To do otherwise is to report at most half the story.

The emphasis on results does not remove the requirement for reporting on resource usage and methods employed. Parliament has an interest in what departments achieve, the cost of that achievement and whether the means used are acceptable.

A second major issue which arose during the Inquiry was using departmental annual reports as the basis for regular reviews of departments by Standing Committees of the House of Representatives. This process promises benefits in: enhanced accountability; giving Members an increased insight into the operations of departments; and improved reporting through making parliamentary use of reports more visible.

This approach has been advocated by Members of the House of Representatives Procedure Committee and by the Chairman of the Joint Committee of Public Accounts on a number of public occasions. It is a significant reform which, if implemented, will ensure a more comprehensive parliamentary scrutiny of departmental management.

During 1989 both the Joint Committee of Public Accounts and the Senate Standing Committee of Finance and Public Administration completed inquiries into aspects of departmental annual reporting. Both Committees found extensive non-compliance with the Guidelines for the Preparation of Departmental Annual Reports. The Senate Committee and some witnesses appearing before the Joint Committee of Public Accounts advocated a review of the Guidelines by the Joint Committee and the Department of the Prime Minister and Cabinet.

The Committee resolved on 4 September 1989 to conduct an inquiry with a view to determining the extent and nature of any revision of the Guidelines which was found to be required.

The Committee determined that on this occasion it would be appropriate to conduct an initial review before draft Guidelines were prepared by the Department of the Prime Minister and Cabinet. It was intended by this means to ensure that any basic issues which arose could be considered in the drafting of the Guidelines, rather than only when the Committee considers a completed draft for approval under sub-section 25 (7) of the Public Service Act 1922.

To achieve this objective it was necessary for the Inquiry to be conducted in a tight timeframe. The Committee sought the views of parliamentarians, Commonwealth departments and the public but did not hold public hearings. The timeframe for the Inquiry was reflected in many of the deadlines set for individuals and organisations contributing to the Inquiry. The Committee thanks contributors for their efforts to meet those deadlines.

In this Report the Committee has endeavoured to set parameters for the drafting of new Guidelines for the Preparation of Departmental Annual Reports. The Committee anticipates the parameters in this Report will form a basis for the Committee's consideration of draft Guidelines for approval under sub-section 25(7) of the Public Service Act.

The Report does not attempt to address all issues and alternatives raised in submissions. Rather, it addresses the principal matters and some lesser ones which, for various reasons, drew the attention of the Committee.

The emphasis in this Report upon annual reporting of departmental performance is just the latest step in a long line of measures developed by Parliament to more effectively hold executive government accountable. It needs to be emphasised that most of these accountability mechanisms have no equivalent in the private sector.

Under section 25 of the Public Service Act 1922, Commonwealth departments are required to produce annual reports. The Act requires that a report be furnished to the Minister and that it be laid before the Parliament. The Act is silent as to the role of the reports, directing only that they be in accordance with guidelines presented by the Prime Minister after approval by the Joint Committee of Public Accounts.

It is the view of the Committee that the departmental annual reports are, and should be, a primary medium of accountability to the Parliament and thus to the people. As a single document, the annual report should provide information on a department's objectives, workings and outcomes for the whole of the financial year to which the report relates. This gives the reader a basis for evaluating the performance of the department. It should also provide a basis for procuring more detailed information, if required.

This requires that the annual report of a department provides its reader with:

- . a clear view of the department's objectives;
- . a reasonable basis for assessing the value for money of the department's programs. This requires reporting of performance as well as resources used;
- . an indication of major hindrances to departmental achievement;
- . an indication of the means used by the department in pursuing its objectives; and
- . references to sources of more detailed information.

It is not expected that a department would attempt to provide an assessment of the 'adequacy' of its performance. Such an assessment must be value laden and dependent, in part, on the assessor's view of the policies being implemented. What is required is that departments provide information on objectives, methods and results to provide a basis for the reader to make judgements and/or initiate further inquiries. This cannot be achieved by a document which reports exclusively on results or exclusively on resources and how they are applied.

While an annual report is principally directed to parliamentarians, it should be in a form which can be understood by members of the public. Like the general public, parliamentarians may have differing levels of knowledge and expertise in public administration and therefore a report which is prepared for members of Parliament should also be useful for interested members of the public.

An annual report should thus provide a foundation for accountability by departments to the Parliament and the people. As such, annual reports complement other forms of accountability to the Parliament such as Question Time and the Senate Estimates process.

Chapters 4 to 7 of this Report address requirements for annual reports in terms of content, timeliness, accuracy and accessibility. This reflects the approach adopted by the Committee in its Report 299, Compliance with Guidelines for the Preparation of Departmental Annual Reports.

Later chapters address the cost of annual reports, means of ensuring annual reports meet the requirements of the Guidelines, improved presentation of the Guidelines and the proposal for enhanced parliamentary scrutiny of departments by way of reviews of departments by Standing Committees of the House of Representatives based on departmental annual reports.

This Report is a further initiative of the Committee promoting enhanced accountability of the executive arm of government to the Parliament and the people and deserves the support of all of us committed to better management of the public sector.

R E Tickner, MP
Chairman
29 November 1989

SUMMARY OF RECOMMENDATIONS

The Committee has made a number of recommendations which are listed below, cross-referenced to their location in the text.

The Committee recommends that:

- . All annual reports be required to include at sub-program level:
 - performance which was anticipated for the year to which the report relates;
 - performance achieved in that year;
 - summary resource information; and
 - performance anticipated for the subsequent year. (paragraph 2.5)
- . The Standing Committees of the House of Representatives be assigned the ongoing role of conducting reviews of departmental operations based upon the annual reports of departments. (paragraph 2.10)
- . The current procedure of Guidelines under the Public Service Act 1922 be retained. (paragraph 3.27)
- . When it is procedurally convenient to do so, the Guidelines for the Preparation of Departmental Annual Reports be renamed as Departmental Annual Reporting Requirements, or an equivalent title. (paragraph 3.33)
- . The Department of the Prime Minister and Cabinet establish procedures to receive and consider proposals for amendments to the Guidelines. (paragraph 3.40)
- . The Department of the Prime Minister and Cabinet aim to prepare once per year, if required, a consolidated set of draft amendments for consideration by the Joint Committee of Public Accounts. (paragraph 3.40)

- The Department of the Prime Minister and Cabinet continue in the role of co-ordinator of the Guidelines and become more active in providing clarification of the Guidelines and co-ordinating proposals for change. (paragraph 3.45)
- Requirements for the structure and content of departmental annual reports be tailored to suit the role of annual reports as a means of reporting to the Parliament. (paragraph 4.23)
- Departments which perceive a need to produce an annual account of their operations for public relations purposes consider the cost effectiveness of producing a smaller document for that purpose if the annual report is considered too large. (paragraph 4.23)
- If practicable, reporting on environmental issues in annual reports be required in tabular form indicating the program, environmental actions taken in relation to it and the outcomes of those actions. (paragraph 4.29)
- Departments endeavour to report actions taken to minimise adverse environmental impacts or enhance the positive environmental impacts of their operations. (paragraph 4.29)
- Departmental annual reports incorporate details of instances where gazettal requirements were not met, the reasons for such failures and the remedial action proposed or taken. (paragraph 4.33)
- The provision for the inclusion in annual reports of reference to reviews of the Auditor-General and parliamentary committees be retained. (paragraph 4.40)
- Departments place some emphasis on reporting progress toward implementing recommendations of reviews made during the financial year. (paragraph 4.40)
- The reference to reviews include relevant bibliographic details. (paragraph 4.40)

- . The Auditor-General endeavour to ensure that all requirements for significant remedial action are expressed in audit reports in the form of recommendations.
(paragraph 4.40)
- . In addition to the currently required information on external consultants, departments be required to indicate for each consultancy whether the requirement was publicly advertised. (paragraph 4.45)
- . The revised Guidelines include a precise definition of the term 'external consultant'.
(paragraph 4.45)
- . The revised Guidelines include provision for reporting on privacy issues. The provision should endeavour to require a concise reference generally based on the broad categories of privacy complaints, reference to personal information digest, information management reporting and privacy protection generally. (paragraph 4.49)
- . Departmental financial statements continue to be an integrated part of the departmental annual report. (paragraph 4.59)
- . Departmental annual reports be written as free-standing documents and not require that the reader refer to prior year's issues for information relevant to the year being reported. (paragraph 4.63)
- . The requirement for reporting of breaches of the Audit Act 1901 and the Finance Regulations and Directions be retained.
(paragraph 4.69)
- . Departments take necessary measures to ensure that they are able to reasonably estimate the costs and benefits of significant changes in business regulations for which the relevant Minister has responsibility.
(paragraph 4.72)
- . The Attorney-General's Department liaise with other departments to ensure all departments have in place procedures which ensure they become aware of significant judicial decisions which affect the department or users of its services. (paragraph 4.76)

- The requirement for annual reports, or draft annual reports (excluding financial statements if audited statements are not available), to be made available to the Parliament at the time of Estimates Committee hearings be retained. (paragraph 5.16)
- Departments consider the adoption of practices and production schedules which will allow for the timely presentation of their annual reports. (paragraph 5.21)
- Departments review the specifications of their reports with a view to deleting presentational features which extend the time required for production after the collation of material. (paragraph 5.21)
- Departments ensure that information included in annual reports covers, as nearly as possible, the full year to which the report relates. (paragraph 5.24)
- The revised Guidelines require each report to contain a table of contents, index to contents required by the guidelines and alphabetical index. (paragraph 7.5)
- Detailed information provided for in the Guidelines only be excluded in cases where it is clearly justified. (paragraph 7.16)
- When detailed information is excluded, considerable summary information be included in the report. (paragraph 7.16)
- Departments adopt the form of presentation, for example appendices, tables or narrative, which best suits the accessible presentation of information required by the Guidelines. (paragraph 7.16)
- Each department make its annual report available to the public for a retail price of no more than \$10.00 per copy. (paragraph 7.28)
- Annual reports for all departments be available to the public from the same sources or from consistent sources. (paragraph 7.28)

- Detailed information required by the Guidelines but excluded from the report as an economy measure be made available to readers contemporaneously with the annual report and without additional charge. (paragraph 7.28)
- Under the co-ordination of the Department of the Prime Minister and Cabinet, consideration be given to the scope for development of standard content and or presentation requirements for the various topics which the guidelines require that annual reports address. (paragraph 7.34)
- Under the co-ordination of the Department of the Prime Minister and Cabinet, consideration be given to which organisations would be best placed to draft standard content or presentation requirements for each topic. (paragraph 7.34)
- If standard content or presentation requirements are to be prepared for any topics, they be prepared for adoption with effect from the 1990-91 annual reports. (paragraph 7.34)
- Consideration be given to standard reporting formats being compulsory at the broad level, for example, a specific topic in a specific appendix, but optional at detailed levels, for example, layout of tables to show staffing information. (paragraph 7.34)
- Departments give consideration to the possibility of using developments in computer technology to improve the accessibility of annual report information. (paragraph 7.39)
- Departments standardise the content and presentation of their annual reports and make changes only when the benefits, such as in improved accessibility of information, exceed the costs. (paragraph 8.17)
- Departments ensure that standards of presentation are kept modest to minimise cost in keeping with general efforts to achieve efficiency. (paragraph 8.21)

- Departments ensure that means by which costs can be reduced while still achieving a minimum acceptable presentation have been adopted before abbreviating content to reduce the cost of producing an annual report.
(paragraph 8.26)
- The Guidelines contain an introductory paragraph indicating that Section 25(7) of the Public Service Act 1922 requires that departmental annual reports be produced in accordance with the Guidelines.
(paragraph 10.4)
- The Guidelines be issued in a form which indicates it is a document with some status, eg on Prime Ministerial letterhead and with the Prime Minister's signature.
(paragraph 10.4)
- Each page of the Guidelines include a header or footer which includes the title, date, total number of pages in the document and the page number. (paragraph 10.4)
- To enable readers to obtain clarification of the Guidelines and to establish whether the Guidelines they hold are the latest issued a contact officer within the Department of the Prime Minister and Cabinet be nominated by title in the Guidelines.
(paragraph 10.4)
- The Department of the Prime Minister and Cabinet compile and disseminate an Annual Reporting Handbook which consolidates all documents specifying requirements for departmental annual reports.
(paragraph 10.8)
- An annual update of the Annual Reporting Handbook, when required, be issued by January and, except in exceptional circumstances, no later amendments be made which relate to reports covering the financial year which is in progress. (paragraph 10.8)
- For ease of use the Guidelines be divided into appropriate subject areas identified by sub-headings. (paragraph 10.12)

- . Each guideline be structured such that individual requirements are individually numbered. (paragraph 10.16)
- . Where the Guidelines refer to another document which specifies the detailed reporting requirement, the reference clearly identify which version of the document applies. (paragraph 10.19)
- . Where the 'latest' version of another document is to be used the Guidelines include reference (by title, telephone number and address) to an officer to be contacted to ascertain and obtain the most recent version at any time. (paragraph 10.19)

CHAPTER 1

SCOPE AND CONDUCT OF THE INQUIRY

BACKGROUND

1.1 In 1986 the Joint Committee of Public Accounts (hereafter referred to as 'the Committee') conducted an Inquiry to review draft Guidelines for the Preparation of Departmental Annual Reports which had been prepared by the Department of the Prime Minister and Cabinet. That Inquiry led to the tabling in late 1986 of the Committee's Report 262, Guidelines for Annual Reports.¹

1.2 That Inquiry was a part of a process which led to the presentation of revised Guidelines for the Preparation of Departmental Annual Reports to the Parliament by the Prime Minister in November 1987.² Those Guidelines reflected the recommendations in Report 262 by, for example:

- requiring a reference to the legislation under which the report is produced;³
- requiring the listing of external consultants employed and, for each, the task involved, cost and reason for engaging a consultant for the task;⁴
- making compliance with AGPS Guidelines mandatory rather than merely preferred;⁵
- referring to the information relating to freedom of information which Section 8 of the Freedom of Information Act requires to be published in annual reports.⁶

Need for the Inquiry

1.3 During 1989 both the Committee and the Senate Standing Committee of Finance and Public Administration completed inquiries into aspects of departmental annual reporting.⁷ Both Committees

1. JCPA Report 262.

2. Guidelines for the Preparation of Departmental Annual Reports', Parliamentary Debates, 17 November 1987, H. of R. 157, p. 2163.

3. JCPA Report 262, and Guideline 9(a).

4. JCPA Report 262, Recommendation 16, p. 12 and Guideline C3.

5. JCPA Report 262, Recommendation 3, p. 3 and Guideline 6.

6. JCPA Report 262, Recommendation 6, p. 4 and Guideline 9(k).

7. JCPA Report 299 and SSCFA Report.

found extensive non-compliance with the Guidelines. The Senate Committee and some witnesses to the Joint Committee of Public Accounts advocated a review of the Guidelines by the Committee and the Department of the Prime Minister and Cabinet.

1.4 The Committee resolved on 4 September 1989 to conduct an Inquiry with a view to determining the extent and nature of any revision to the Guidelines which was required.

Process for the Inquiry

1.5 The Committee determined that on this occasion it would be appropriate to conduct an initial review before draft Guidelines were prepared by the Department of the Prime Minister and Cabinet. It was intended by this means to ensure that if any basic issues arose they could be considered in the initial drafting of the Guidelines, rather than only when the Committee considers a completed draft for approval under sub-section 25 (7) of the Public Service Act 1922.

1.6 To achieve this objective it was necessary for this Inquiry to be conducted in a much tighter timeframe than is usual and without the opportunity for public hearings. The tight timeframe was reflected in many of the deadlines set for individuals and organisations contributing to the Inquiry. The Committee thanks contributors for their efforts to meet those deadlines.

1.7 In the course of the Inquiry the Committee sought submissions through press advertisements and through direct correspondence to Commonwealth Ministers, Senators, Member of the House of Representatives, Commonwealth Departments, numerous academic institutions, the Business Council of Australia, the Australian Council of Trade Unions, and professional bodies such as the Royal Australian Institute of Public Administration and Australian Society of Accountants. In addition to these submissions arrangements were made whereby the Committee received copies of submissions relating to the Guidelines which were presented to the Department of the Prime Minister and Cabinet. For simplicity, in this report these are referred to as if they were submissions made directly to the Committee. A list of submissions received is at Appendix 2.

Role of this Report

1.8 The Committee, in this report, has endeavoured to set parameters for the drafting of new Guidelines for the Preparation of Departmental Annual Reports. The Committee anticipated these parameters will form a basis for the Committee's consideration of draft Guidelines for approval under sub-section 25(7) of the Public Service Act.

1.9 The report does not address all issues and alternatives raised in the submissions. Rather it is intended to address the principal matters and some lesser topics which for various reasons drew the attention of the Committee.

CHAPTER 2

PRINCIPAL ISSUES

2.1 In the conduct of this Inquiry two issues arose which provide the key recommendations of the Report. These issues are the reporting of program performance and an extension of Parliamentary review of departments.

Reporting of Program Performance

2.2 The most significant change required in the content of annual reports is an increased emphasis on program performance. This change flows directly from and is a necessary element of, recent managerial reforms.

2.3 The increased emphasis requires:

- . reporting performance at the sub-program level;
- . including a statement of the performance which had been anticipated for the year; and
- . including a statement of the performance anticipated for the following year.

2.4 These reforms would ensure that annual reports facilitate and encourage the assessment of departments on the basis of their performance rather than merely on the level of activity or on compliance with a decreasing body of centrally mandated processes. In encouraging assessment of departments on the basis of performance, such annual reports would help to bring external perceptions of departments more closely into line with the managerial concepts which are being adopted by departments.

2.5 The Committee recommends that:

- All annual reports be required to include at sub-program level:
 - performance which was anticipated for the year to which the report relates;
 - performance achieved in that year;
 - summary resource information; and
 - performance anticipated for the subsequent year. (Recommendation No. 1)

This topic is addressed in more detail in paragraphs 4.5 - 4.11.

Parliamentary Scrutiny of Performance

2.6 The Committee can see scope for benefit through a complementary reform of Parliamentary scrutiny introducing reviews based directly on departmental annual reports.

2.7 Witnesses to both the Committee and the Senate Standing Committee on Finance and Public Administration referred to a lack of apparent use of departmental annual reports. The experience of Members of the Committee is that considerable use is made of these reports and as the reports improve so will the scope to use them. The Committee agrees with the various witnesses, however, that if the Parliament made more explicit use of annual reports there would be more incentive for improvement of the reports. A more significant consideration for the Committee is the benefit to the Parliament and departments from a more regularised review of departmental operations. Such reviews could complement the well-established Senate Estimates process.

2.8 In order to avoid substantially increasing the workload on departments and the Parliament it is preferable that such reviews be conducted by existing committees. For a variety of reasons, principally to give Members an increased opportunity to gain an insight into the operations of departments and to avoid disrupting the long-standing roles of other Committees, it would be advantageous to have these reviews conducted by the respective Standing Committees of the House of Representatives.

2.9 It is vital to emphasise that while Senators focus on concerns of performance and results in the course of Senate Estimates hearings, two thirds of members of Commonwealth Parliament who are Members of the House of Representatives do not have access to a parliamentary review system which could enable systematic review of performance of departments. This gap in the parliamentary scrutiny regime needs to be addressed and therefore issues of performance reporting in annual reports need to be considered in conjunction with proposals for expanded parliamentary scrutiny of annual reports.

2.10 The Committee recommends that:

The Standing Committees of the House of Representatives be assigned the ongoing role of conducting reviews of departmental operations based upon the annual reports of departments. (Recommendation No. 2)

This topic is addressed in more detail in Chapter 11.

CHAPTER 3

PURPOSE OF ANNUAL REPORTS OF DEPARTMENTS

3.1 Departments are required under section 25 of the Public Service Act 1922 to produce annual reports. The Act requires that a report be furnished to the Minister and that it be laid before the Parliament. The Act is silent as to the role of the reports, directing only that they be in accordance with guidelines presented by the Prime Minister after approval by the Joint Committee of Public Accounts.

3.2 In the opinion of the Committee the departmental annual report is, and should be, a primary medium of accountability by departments to the Parliament to which it is presented and thus, to the people. In a single document, the report should provide information on the department's objectives, workings and outcomes for the whole of the financial year to which the report relates. It should also provide a basis for procuring more detailed information, if required.

3.3 The departmental annual report should provide the reader with:

- . a clear view of the department's objectives;
- . a reasonable basis for assessing the value for money of the department's programs, which requires reporting of performance as well as resources used;
- . an indication of major hindrances to departmental achievement;
- . an indication of the means used by the department in pursuing its objectives; and
- . references to sources of more detailed information.

3.4 The annual report should provide the reader with information on which to base an evaluation of the performance of the department. It is not expected that a department would attempt to provide an assessment of the 'adequacy' of its performance. Such an assessment must be value laden and dependent, in part, on the assessor's view of the policies being implemented. What is required is that departments provide information on objectives, methods and results to provide a basis for the reader to make judgements and/or initiate further inquiries. This cannot be achieved by a document which reports exclusively on results or exclusively on resources and how they are applied.

3.5 Although the readers to whom the report is principally directed are parliamentarians, the report should be in a form which can be understood by members of the public. Like the general public, parliamentarians may have differing levels of knowledge and expertise in public administration and therefore a report which is prepared for members of Parliament should be useful for interested members of the public.

3.6 The annual report should thus provide a foundation for accountability by departments to the Parliament and the people. As such, annual reports complement other forms of accountability to the Parliament.

Other Forms of Accountability

3.7 One long-standing form of accountability is Question Time. In 1912 it was written that in Great Britain, Question Time was able to turn '... a searchlight upon every corner of the public service.'¹ Few would consider that in Australia in the 1990s the searchlight of Question Time will cast sufficient light upon every corner of the public service. By providing much basic information, annual reports can provide a foundation for more efficient use of Question Time.

3.8 Another medium of accountability is the operation of parliamentary committees. The role of committees has grown considerably over the years. The efficacy of these committees could be enhanced if the time at present spent on researching basic information on departmental structure, operations and performance were reduced by the presentation of much of this information in an accessible form in annual reports.

1. Lowell, 1912, quoted by Neville Johnson, 'Parliamentary Question and the Conduct of Administration', Public Administration, Volume 39, Summer 1961, p. 143.

3.9 Accountability through external bodies, such as the Australian Audit Office, also contributes to the body of knowledge on how well the various departments perform their roles. These external agencies could also benefit from the production of enhanced annual reports.

Reports by Ministers or Secretaries

3.10 One submission received by the Committee argued strongly that the annual report of a department should be a report by the responsible Minister. In that submission, Dr R L Wettenhall contended that to be consistent with constitutional principle and Westminster traditions:

... the report that leaves the departmental secretary's desk should be a 'draft' for the minister, and ... what goes on to parliament, after acceptance or amendment by the minister, should be unambiguously the minister's report to parliament.²

3.11 The Committee considers the issues raised in the submission to be worthy of debate. However, the issues are beyond the scope of the Committee's current Inquiry.

3.12 For this review the Committee has taken the current legislative requirement that annual reports be prepared by secretaries as given.

Report to Ministers

3.13 A few departments contended that the annual report was a report to the Minister rather than to the Parliament. The Department of Defence proposed this interpretation and went so far as to contend that being a report to the Minister rather than to the Parliament could 'have an effect on the mandatory, or otherwise, nature of the Guidelines'.³

2. Evidence, p. S50.

3. Evidence, p. S168.

3.14 The Committee does not agree that the Public Service Act requires that the annual report be a report 'to' the Minister in the sense that the report would be intended to inform the Minister. Rather, the Committee understands that the Act requires the report, after preparation, to be given to the Minister in order that the Minister may 'cause a copy of the report ... to be laid before each House of the Parliament within 15 sitting days of the House after the day on which the Minister receives the report'.⁴

3.15 The interpretation suggested by departments would imply that the Parliament intervened through legislation in the relationship of each Minister with his department to require the provision of certain information. Such intervention would seem an unlikely intervention by the Parliament.

3.16 The Parliament, through Question Time and debates, requires that Ministers display considerable knowledge of their departments on an ongoing basis. In this context it is surprising that departments interpret the legislation as requiring the provision of limited information to the Minister some months after the year to which it directly relates.

3.17 An alternative interpretation of the Act's provision for annual reports, and the one which the Committee accepts, is that the Parliament requires that it receive certain information on each department and, in keeping with normal practice, the Minister is given responsibility and control over tabling of the reports. As the Parliament may choose to question the Minister based on the content of the report, provision is made for the Minister to become familiar with the information in the report prior to tabling, but the key point is that the report must be made available to the Parliament.

3.18 With regard to the Department of Defence contention with respect to the mandatory nature of the Guidelines, it is not apparent how the nature of the Guidelines could be affected merely by whom the Act required the report to be addressed to. Whether the report is to be for the minister or the Parliament, sub-section 25(7) of the Act requires that it 'shall be in accordance with'⁵ the Guidelines.

4. Public Service Act 1922, sub-section 25(8).
5. Public Service Act 1922, sub-section 25(7).

A Call for Abolition of the Guidelines

3.19 The Attorney-General's Department argued against the present approach to guidelines for the preparation of departmental annual reports. The basis of the Department's argument was that:

- 1) independently there is legislation requiring secretaries of departments to prepare and furnish annual reports to the Minister (sub-section 25(6) of the Public Service Act; and
- 2) there are independently determined legislative and other requirements affecting the nature and contents of annual reports and these could be extended where necessary.⁶

3.20 The Committee questions the Department's use of the term 'independently' with regard to the requirement for an annual report under sub-section 25(6) of the Public Service Act. In that Act, sub-section 25(6) provides that an annual report be produced and furnished to the Minister, sub-section 25(7) that the report produced shall be in accordance with the Guidelines and sub-section 25(8) that having received the report the Minister is responsible for it being tabled in Parliament. This indicates that the content required of the annual reports is entirely dependent on the Guidelines.

3.21 The Department cited current formal requirements affecting the contents of annual reports which exist regardless of the Guidelines. Requirements referred to arose from:

- the Public Service Act - Industrial Democracy and Equal Employment Opportunities;
- the Personnel Management Manual - Post Separation Employment Cases;
- Government decisions - Purchasing Reform, Non-statutory Bodies and Social Justice; and
- the Audit Act 1901 - Auditor-General's report on financial statements.

6. Evidence, p. S196.

3.22 The Department contended that introduction of further requirements in various pieces of legislation and Government directives could obviate the need for guidelines which have legislative authority. 'A convenient listing of all the requirements and the basis of their authority would be all that is required'⁷ the Department concluded.

3.23 The Department proposed that the list of various requirements be consolidated in a Handbook of External Reporting as proposed by the Senate Standing Committee on Finance and Public Administration.⁸ Reporting requirements could be changed, for example, to match other alterations to the relevant legislation or directives, whenever required. This would avoid the current need for a separate initiative to change reporting requirements to match changes in legislation.

3.24 The Department also observed that:

Individually and in aggregate the requirements for Annual Reports could be kept under scrutiny by the Joint Parliamentary Committee of Public Accounts, and if thought appropriate, an annual review of substance and content could be made. Possible changes to requirements could be initiated by the Committee. It would deal directly with the responsible coordinating department and make whatever recommendations if considered necessary.

The Handbook could be updated annually at the time the Department of the Prime Minister and Cabinet writes to Secretaries about annual reporting requirements. Individual new requirements area by area would be published as soon as they are approved.⁹

3.25 The Committee considers that the primary advantages of the approach proposed by the Department can be attained within the current structure. As proposed by other departments, and discussed at paragraphs 7.29 - 7.34 in this Report, there is scope to have detailed requirements for reporting on various topics developed by appropriate organisations. Those organisations could put forward amendments to those requirements when it was considered necessary. This could achieve the prompt updating which the Attorney-General's Department seeks but within the structure established by the Public Service Act.

7. Evidence, p. S200.

8. SSCFFA Report, p. 23, paragraphs 4.35-4.39.

9. Evidence, p. S201.

3.26 The Committee concludes that the proposal of the Attorney-General's Department to abolish the requirement for Guidelines under the Public Service Act 1922 and replace them with specific legislative and administrative provisions for various topics should not be adopted.

3.27 The Committee recommends that:

- . The current procedure of Guidelines under the Public Service Act 1922 be retained. (Recommendation No. 3)

'Guidelines': Whats' in a Name

3.28 The Public Service Act provides that:

a report prepared under sub-section (6) shall be in accordance with guidelines¹⁰ (emphasis added).

3.29 Several submissions proposed that the title 'Guidelines' be changed to reflect the mandatory nature of the provisions. The Department of the Arts, Sport, the Environment, Tourism and Territories contended that:

... it is misleading to continue to describe them as "Guidelines". They are treated as mandatory requirements and should be so identified.¹¹

3.30 Several submissions proposed that the title 'Guidelines' be changed to reflect the mandatory nature of the provisions. The Senate Committee encapsulated the situation in its report:

A notable problem that arises from the present legislative framework is a result of the present title of 'guidelines' for the legally binding annual reporting requirements. This appears to have led to many departments and authorities to believe that they are optional. The Committee recommends that the guidelines be renamed 'annual reporting requirements'.¹²

10. Public Service Act 1922, sub-section 25(7).

11. Evidence, p. S137.

12. SSCPPA Report, p. 13 paragraph 3.26.

3.31 The Committee understands from submissions that, following the parliamentary attention given to departmental annual reports this year, departments are well aware of the legislative basis for the Guidelines. In view of this there is no pressing need for a change of title to achieve this understanding. Adoption of recommendations in this report relating to introductory comments in the Guidelines would further reduce the risk of misunderstanding.

3.32 Notwithstanding these developments, the Committee agrees that it would be desirable to rename the Guidelines to avoid the risk of confusion in future. It is noted, however, that, unless it is amended, the Public Service Act will continue to refer to the provisions for reporting as 'guidelines'.

3.33 The Committee recommends that:

When it is procedurally convenient to do so, the Guidelines for the Preparation of Departmental Annual Reports be renamed as Departmental Annual Reporting Requirements, or an equivalent title. (Recommendation No. 4)

Development of Reporting Guidelines Over Time

3.34 The Committee considers that it is necessary for the Guidelines to be able to change to meet short term needs and to evolve to provide improved accountability. This is necessary to accommodate short term, even transitory, shifts in emphasis and longer term developments in the public sector and in reporting techniques.

3.35 An example of a short term shift in emphasis is the current need for information on the effect of various changes in the management of departments. When the new systems are well established it is likely the requirement for this information will pass.

3.36 Longer term developments are matters such as the growing emphasis on performance as the measure of the managerial success of departments. This sort of development requires an equivalent development in the scrutiny applied by the Parliament and, therefore, in the reporting practices of those departments. Such ongoing changes will require gradual development, adopting various approaches and discarding those which are ineffective, which justifies the distinctive tag of evolution.

3.37 To facilitate such changes and evolution there needs to be a process whereby variations can be proposed, considered and, if appropriate, implemented. In view of its role as administrator of the Guidelines it is appropriate that the Department of the Prime Minister and Cabinet have administrative carriage of this role.

3.38 The Committee would anticipate that the Department would have an arrangement whereby it can receive proposals from various sources, assemble them and draft amendments if considered appropriate. Draft amendments could be circulated among departments for consideration and then submitted on an annual basis to the Committee with a view to approval under the Act. It is essential that the timing of such a process allow both for due consideration and for timely advice to departments of changed requirements.

3.39 It is not envisaged that many changes would be proposed each year. However, if substantial changes were considered necessary, the Committee would expect to initiate a large scale inquiry and invite proposals to be submitted directly to itself.

3.40 The Committee recommends that:

The Department of the Prime Minister and Cabinet establish procedures to receive and consider proposals for amendments to the Guidelines. (Recommendation No. 5)

The Department of the Prime Minister and Cabinet aim to prepare once per year, if required, a consolidated set of draft amendments for consideration by the Joint Committee of Public Accounts. (Recommendation No. 6)

3.41 Notwithstanding the desirability of a single annual set of amendments the Committee foresees a continued need for the flexibility to allow for the adoption of amendments outside this process when the situation requires it.

The Role of the Department of the Prime Minister and Cabinet

3.42 The Public Service Act provides that annual reports shall be in accordance with guidelines from time to time presented to the Parliament by the Prime Minister after approval by the Joint Committee of Public Accounts. Given this position and the overall role of the Department, it is appropriate that the administration of the Prime Minister's Guidelines is performed by the Department of the Prime Minister and Cabinet.

3.43 This position was supported by the Senate Committee which also recommended:

... that the Department adopt a broader, more dynamic and proactive role as co-ordinator and, more importantly, custodian of the guidelines on annual reports.¹³

3.44 The Senate Committee further recommended that the Department of the Prime Minister and Cabinet develop and maintain a Handbook of External Reporting.¹⁴ As discussed elsewhere in this report the Committee concurs with this recommendation.

3.45 The Committee recommends that:

The Department of the Prime Minister and Cabinet continue in the role of co-ordinator of the Guidelines and become more active in providing clarification of the Guidelines and co-ordinating proposals for change.
(Recommendation No. 7)

13. SSCFPA Report, p. 22.

14. SSCFPA Report, p. 23.

CHAPTER 4

CONTENT

4.1 In his submission to the Committee one parliamentarian advocated maintaining the information reported in annual reports observing:

The Departmental annual reports are a very important part of our democratic structure and I would be concerned at any reduction of the information made available through the annual reports.¹

4.2 A private sector organisation proposed an emphasis on performance, problems and remedial action as follows:

As a starting point, annual reports should contain:

- a. a comparison of the objectives for the year (perhaps as expressed in the Explanatory Notes) with the results achieved;
- b. an analysis of the reasons for any significant difference between objectives and results;
- c. details of administrative steps taken (or to be taken) to reduce those differences;
- d. details of the department's handling of new priorities or issues which emerged during the year; and (possibly)
- e. the changes needed to the department's administration to permit it to meet the program budgeting objectives for the next year.²

1. Evidence, p. S13.
2. Evidence, p. S11.

Conciseness Versus Content

4.3 A number of departmental submissions referred to a perceived inconsistency or tension between the Guidelines' general requirement for conciseness and specific requirements on content. The Committee was surprised by this as it would have expected any reader of the Guidelines to presume that a specific provision requiring inclusion of information would take precedence over a general reference to conciseness.

4.4 This presumption that specific provisions take precedence over general provisions is logical when one considers that the specific provision would not have been included when the Guidelines were drafted if the contrary general provision was considered more important. Such a presumption is also consistent with legal traditions for interpreting statutes and other documents.

Performance

4.5 In a submission received by the Committee, the Public Service Commissioner observed:

I would support the view ... that agencies should be able to (and in my view, be reasonably expected to) comment on 'success in performing their intended roles'.³

4.6 The most significant change required in the content of annual reports is an increased emphasis on program performance. This change flows directly from and is a necessary element of, recent managerial reforms.

4.7 The emphasis on 'results' or 'performance' is not as novel as the criticisms by some departments would suggest. Under the heading 'General Principles', the current Guidelines direct that 'The orientation of reports should be towards performance, and the administrative and managerial aspects of departmental activities.' Further, in the section headed 'Contents', Guideline 9(d) requires:

3. Evidence, p. S155.

an account of the department's significant activities during the year showing ... in respect of each of its programs:

- i) objectives;
- ii) results achieved and progress towards the achievement of objectives and targets;
- iii) resources used; and
- iv) reasons for any significant delays, amendments, deferment or cancellation.

4.8 This requirement is substantially the same as that proposed by the Committee. The primary difference is that, in accord with the increased emphasis on performance which is central to recent reforms, the Committee considers this aspect of the report should be given greater emphasis.

4.9 This increased emphasis requires:

- . reporting performance at the sub-program level;
- . including a statement of the performance which had been anticipated for the year; and
- . including a statement of the performance anticipated for the following year.

4.10 These reforms would ensure that annual reports facilitate and encourage the assessment of departments on the basis of their performance rather than merely on the level of activity or on compliance with a decreasing body of centrally mandated processes. In encouraging assessment of departments on the basis of performance, such annual reports would help to bring external perceptions of departments more closely into line with the managerial concepts which are being adopted by departments.

4.11 As discussed in Chapter 2 the Committee recommends that:

- . All annual reports be required to include at sub-program level:

- performance which was anticipated for the year to which the report relates;
- performance achieved in that year;
- summary resource information; and
- performance anticipated for the subsequent year. (Recommendation No. 1)

Ends and Means

4.12 It has been argued that in a results oriented environment managers should be assessed purely on outcomes and costs rather than how those outcomes are achieved and how the funds are spent. This argument has limited validity and cannot reasonably be the sole criteria for assessing managerial performance.

4.13 The most basic inadequacy is that the argument is based on the unacceptable philosophy that 'the end justifies the means'. A civilised society must have some standards and must endeavour to ensure those standards are maintained. If society judges its manager only by the 'ends' achieved, it is tacitly accepting the adoption of unacceptable 'means'.

4.14 A further problem is the measurement of the 'cost' of an undertaking. The 'costs' measured by accounting procedures are limited to an estimate of certain internal costs. Externalities, such as pollution, are not included and, significantly for departmental operations, nor are the costs which are transferred to other programs.

4.15 In order that the Parliament and people are able to assess the acceptability of the 'means' employed, it is necessary that these be visible. This required reporting which extends beyond performance.

4.16 Another factor contributing to the need for reporting of means is the lack of comparable entities against which to assess the efficiency of departments. It is, for example, difficult to assess whether the Department of Defence is efficient at its task when there is no body performing a directly comparable task.

4.17 Against this background and with the expectation that the recommended reporting of performance will proceed, the balance of this Chapter is concerned with content requirements other than performance.

Annual Reports and Other Reports

4.18 In its submission the Department of Employment, Education and Training advised that it produces 'a Programs Booklet which provides an extensive description of all DEET programs down to the sub-program and component level'.⁴ Referring to that document and the Explanatory Notes the Department contended:

Given that this detailed information on programs is already being made available it would seem an appropriate role for the Annual Report would be to provide an overview of the descriptive and performance reporting material contained in the other documents, but written in a style suitable for more generalist readers.⁵

4.19 The Committee considers this approach inappropriate for several reasons. Firstly, it would not be appropriate to amend the content requirements of departmental annual reports on the basis of the contents of a booklet produced by one department. The alternative of compulsory production of such Programs Booklets by all departments would appear to be akin to introducing a system of two-volume annual reports, and would only add to the problems of overlap now raised by Explanatory Notes and annual reports.

4.20 Another problem with the Department's proposal is that it is tailoring the annual report to suit 'more generalist readers' rather than to suit its role of accountability to Parliament. It would also diminish the benefit to all readers of the annual reports as a consolidated source of information on the department.

4.21 This tendency toward tailoring the report to needs other than those of the Parliament at the expense of the needs of

4. Evidence, p. S239.
5. Evidence, p. S239.

Parliament was apparent in a submission from the Department of Industry, Technology and Commerce. Referring to the effect of the growing size of reports, the Secretary of the Department observed that:

While I recognise that the Annual Report is the primary vehicle for departmental accountability to Parliament, I believe we should not lose sight of other audiences who have an interest in the Department's activities, and who may be deterred by its length and technical content.⁶

4.22 The Committee is firmly of the opinion that the annual report is first and foremost a report to the Parliament and therefore must be designed to suit that role. If others find the report is of use to them then all the better, but that is to be seen only as a bonus and not as meaning annual reports have a dual role. It is not appropriate that the utility of 'the primary vehicle for departmental accountability to Parliament'⁷ be compromised by attempting to enhance its capacity to serve other purposes.

4.23 The Committee recommends that:

- . Requirements for the structure and content of departmental annual reports be tailored to suit the role of annual reports as a means of reporting to the Parliament.
(Recommendation No. 8)
- . Departments which perceive a need to produce an annual account of their operations for public relations purposes consider the cost effectiveness of producing a smaller document for that purpose if the annual report is considered too large. (Recommendation No. 9)

Possible Additions

4.24 Several possible additions to the information to be presented in annual reports were considered by the Committee. Brief comments on each follow.

6. Evidence, p. S237.

7. Evidence, p. S237.

Environmental Impact Statement

4.25 Two submissions⁸ proposed some reporting of the environmental impact of departmental operations. The more specific of the two recommendations was made by The Wilderness Society which advocated reporting of all actions which impact upon places listed on the Register of the National Estate as defined by the Australian Heritage Commission Act 1975 and actions arising from responsibilities under the Environmental Protection (Impact of Proposals) Act 1974. The Society proposed:

... reporting might be achieved in a clear, concise and publicly acceptable manner through presentation of tabular data indicating the project, environmental actions taken in relation to that project, and outcomes of those actions.⁹

4.26 The Society contended that such reporting would make the information on each department readily available to interested parties and:

... would serve to increase environmental awareness within all departments, and at the same time would assist greatly in ensuring public accountability for such actions.¹⁰

4.27 The Committee supports the concept of departments reporting on the environmental impact of their operations. The format proposed by The Wilderness Society appears to be a sound basis for such reporting. In addition to the advantages referred to above, such reporting could also provide a useful guide to the administrative burden imposed on departments by the legislation referred to.

4.28 In this brief inquiry it has not been possible for the Committee to determine how many instances would have to be reported by various departments and, therefore, the viability of such reporting. This will have to be considered in deciding whether to require such reporting.

8. Evidence, p. S13 and pp. S61-2.

9. Evidence, p. S62.

10. Evidence, p. S62.

4.29 The Committee recommends that:

- . If practicable, reporting on environmental issues in annual reports be required in tabular form indicating the program, environmental actions taken in relation to it and the outcomes of those actions. (Recommendation No. 10)
- . Departments endeavour to report actions taken to minimise adverse environmental impacts or enhance the positive environmental impacts of their operations. (Recommendation No. 11)

Failure to Comply with Gazettal Requirements

4.30 A guideline released recently as part of the implementation of purchasing reforms observes:

Open and effective competition is a central operating principle of the Commonwealth procurement system. It is the basis for achieving the overall objective of value for money ...

Open and effective competition requires that government procurement be visible ...

Visibility of government business is promoted through the use of the Commonwealth (Purchasing and Disposals) Gazette. Departments are required to gazette all publicly available invitations to bid, express interest, prequalify, offer proposals or the like, and also to notify purchases arranged with a value not less than \$2 000 in the Gazette.¹¹

4.31 The Parliament has an interest in the operation of the Commonwealth procurement system and, therefore, in the gazettal of required information. Several reviews in recent years have indicated that in a significant number of cases the required gazettal is not occurring. For example, in 1988 the Bureau of Industry Economics advised that, on the information available to the Bureau, 'it is clear that less than half of total purchases are reported in the Gazette'.¹²

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11. Commonwealth Purchasing Guideline 2, Open Effective Competition and Gazettal of Purchasing Information, Commonwealth of Australia, 1989.
 12. Bureau of Industry Economics, The Commonwealth Purchasing Preference Margin as an Industry Development Mechanism, Program Evaluation Report 6, AGPS, Canberra, 1988, p. 6.

4.32 In view of the central role of gazettal, the Parliament would be better placed to assess the performance of the Commonwealth purchasing system if it were aware of the extent to which the prescribed gazettal was not occurring or was not timely. Over time this information would serve as one indicator of the effectiveness of efforts to improve the operation of the Commonwealth purchasing system.

4.33 The Committee recommends that:

Departmental annual reports incorporate details of instances where gazettal requirements were not met, the reasons for such failures and the remedial action proposed or taken. (Recommendation No. 12)

4.34 In the event that reporting on all instances would take excessive space in the report, then summary information could be included and the detail made available, contemporaneously, on request. The summary would be expected to detail the number and value of instances of various types (eg tender requests not gazetted, contracts gazetted late), the main reasons and remedial action.

Reviews by the Auditor-General and Parliamentary Committees

4.35 Some submissions advocated removal or restriction of the provision for reporting:

information regarding any reviews by the Auditor-General or parliamentary committees which directly affect the department, showing recommendations arising from such reviews and the action taken to address them.¹³

4.36 The reason for seeking removal of the provision was to avoid duplication of material published by the Auditor-General. The Attorney-General's Department proposed that:

If Departments are required to publish significant findings by the Auditor-General and their responses

13. Guideline 9(m).

in their annual reports then the Auditor-General would be able to confine his report to an overview of the findings and responses.¹⁴

4.37 The Committee considers that both of these proposals fail to appreciate the primary benefits to annual report readers of including the information covered by the Guideline. In the annual report the department is required to report action taken to address recommendations of reviews by the Auditor-General and parliamentary committees. As the report covers the financial year, the progress reported would be to the end of that year. By contrast, any departmental response included in a review report tabled during the year would relate to the time at which the response was prepared. It is possible such a response could date from before the start of the financial year.

4.38 The scope for benefit from this process is to a degree dependent on the number of recommendations included in the report being referred to.

4.39 Reporting on the findings and recommendations of reviews and on remedial action in the annual report, contributes to the usefulness of that report as a single document providing an overview of the department and a starting point for more detailed inquiry. Including bibliographic details on the relevant reports will assist the reader to pursue further detail in those reports.

4.40 The Committee recommends that:

- . The provision for the inclusion in annual reports of reference to reviews of the Auditor-General and parliamentary committees be retained. (Recommendation No. 13)
- . Departments place some emphasis on reporting progress toward implementing recommendations of reviews made during the financial year. (Recommendation No. 14)
- . The reference to reviews include relevant bibliographic details. (Recommendation No. 15)
- . The Auditor-General endeavour to ensure that all requirements for significant remedial action are expressed in audit reports in the form of recommendations. (Recommendation No. 16)

14. Evidence, p. S150.

External Consultants

4.41 Reporting on the use of external consultants can serve a number of purposes as extensively outlined in the Committee's forthcoming report on the use of external consultants. Among these are:

- . to identify inadequacies in the level of skills, and the management problems these can reflect, within individual departments or the public service as a whole;
- . to discourage cronyism in the selection of consultants; and
- . to expose departments which seek to avoid staffing limits by means of hiring consultants as surrogate staff.

4.42 The Committee considers that, at this time, the comprehensive reporting required by the Guidelines is warranted. As is discussed elsewhere in this report and in Report 299, if including all of the required information in the annual report is impracticable then the Committee considers it acceptable for summary information to be included and the full information to be made available on request.

4.43 To provide an assurance that the open competition and visibility which are central to the recent purchasing reforms are achieved regarding consultants' reports should also note whether the opportunity for each consultancy was publicly advertised.

4.44 Various submissions drew attention to the uncertainty as to the meaning of the term 'external consultant'. This uncertainty had also become quite apparent during the course of the Committee's inquiry into the use of external consultants. To resolve this uncertainty the revised Guidelines should include a definition of the term 'external consultants'.

4.45 The Committee recommends that:

- . In addition to the currently required information on external consultants, departments be required to indicate for each consultancy whether the requirement was publicly advertised. (Recommendation No. 17)

- The revised Guidelines include a precise definition of the term 'external consultant'. (Recommendation No. 18)

Privacy Issues

4.46 The Privacy Commissioner proposed that:

... annual reports address the privacy protection responsibilities of Commonwealth departments and make information about the Privacy Rights of Individuals available to the general public.¹⁵

4.47 The submission called for a concise reference to aspects of privacy protection in accordance with the Privacy Act 1988. Aspects proposed for coverage were:

- (a) privacy complaints;
- (b) reference to personal information digest;
- (c) information management reporting; and
- (d) privacy protection generally.

4.48 The Committee agrees this would be beneficial both for the useful information it could provide and for its beneficial effect in ensuring departments are aware of their obligations under the Privacy Act. Proposals as outlined in the submission would, however, require development to achieve the 'concise reference to aspects of privacy protection in accordance with the Privacy Act'¹⁶ which is advocated by the Privacy Commissioner.

4.49 The Committee recommends that:

- The revised Guidelines include provision for reporting on privacy issues. The provision should endeavour to require a concise reference generally based on the broad categories of privacy complaints, reference to personal information digest, information management reporting and privacy protection generally. (Recommendation No. 19)

15. Evidence, p. S39.

16. Evidence, p. S40.

Duplication

4.50 Departmental annual reports provide a considerable amount of information. Some of that information either has been published elsewhere or would be available to a person who took the time and effort to obtain it from departments through Freedom of Information procedures or by a simple request.

4.51 The situation has led to suggestions that in annual reports there is excessive duplication of information which is available elsewhere. An alternative interpretation is that production of the annual reports involves the drawing together of relevant information from many disparate sources.

4.52 The benefit of this drawing together of information can be gleaned from comments in the submission by the Department of Immigration, Local Government and Ethnic Affairs (DILGEA).¹⁷ In reference to duplication in discussing the 'Cost of Production', DILGEA observes that under the current Guidelines there are over thirty specific items on which departments are required to report. Most of the requirements are addressed in other public documents or are required to be made available either on request or under the Freedom of Information provisions. The DILGEA submission then lists examples of alternative sources of some of this information:

- . Explanatory Notes;
- . Administrative Arrangements Orders;
- . corporate plan;
- . reports in the press of judicial decisions;
- . reports by judicial bodies of their decisions;
- . reports of major reviews;
- . reports of the Auditor-General;
- . occupational health and safety plans;
- . equal employment opportunity plans; and
- . the Government Directory.

17. Evidence, pp. S37-8.

4.53 The benefit to the reader of having information from all these disparate sources consolidated or summarised and cross referenced in a single document is obvious. When one considers that the reports contain information which is not in these documents, that the information is more up to date than these sources and that the consolidation is done for each of the eighteen portfolio departments, the potential benefit can be seen to be enormous.

Deletions Proposed in Submissions

4.54 The Committee was surprised at some of the material which various submissions suggested should be deleted from annual reports. Among these proposed deletions were:

- . audited financial statements;
- . information which does not change from year to year, for example Freedom of Information details; and
- . breaches of the Audit Act 1901 or Finance Regulations or Directions.

Audited Financial Statements

4.55 One submission observed that:

One concern is the delay caused by the requirement for audited financial statements to be included in Annual Reports. While it is accepted that financial statements of government authorities must be audited and presented to the Parliament for public scrutiny, circumstances may arise where it would be better if they were not published as part of the Annual Report, but were published and tabled as a separate document, at a later date. This could alleviate the current bottle neck which occurs annually in the Australian Audit Office as departments and authorities compete to have their financial statements audited and would ensure earlier presentation of annual reports in line with General Principle 8.¹⁸

18. Evidence, p. S137.

4.56 The Committee considers that the utility of the information in the annual report would be considerably diminished if financial statements were not included. Reporting on operations and performance is of limited value if resource information is not included. Correspondingly, as discussed elsewhere in this report, financial statements alone for a department are of little use.

4.57 Excluding financial statements would allow for annual reports to be tabled a few months earlier but it is considered this benefit is outweighed by the ongoing advantages of a consolidated report.

4.58 The suggested advantage in terms of a reduced bottle-neck for the Australian Audit Office would seem to be illusory as the requirement for prompt finalisation of financial statements would remain.

4.59 The Committee recommends that:

Departmental financial statements continue to be an integrated part of the departmental annual report. (Recommendation No. 20)

Unchanged Information

4.60 Another submission questioned 'whether material, where it does not change, should be reproduced each year'.¹⁹ The example quoted was the Freedom of Information Section 8 statement.²⁰ The alternative suggested was to provide the required information in one year's annual report, and to make reference back to it in later reports.

4.61 The Committee is concerned that such a policy would diminish the integrity of each year's annual report as a free-standing document. It would also have an adverse effect on users who may not have ready access to past years' reports. Additionally all users regardless of their interest in past years' reports would be required to retain old reports in case they had occasion to refer to information which had not been repeated.

4.62 The Committee would be particularly reticent to see the proposed treatment applied to Freedom of Information details. It seems inappropriate to make access to details on how to obtain information any more difficult to obtain than they are at present.

19. Evidence, p. S146.

20. The submission observed that the specific example quoted could require an amendment to the Freedom of Information Act to implement the change. Evidence, p. S146.

4.63 The Committee recommends that:

- Departmental annual reports be written as free-standing documents and not require that the reader refer to prior year's issues for information relevant to the year being reported. (Recommendation No. 21)

Breaches of Legislation, Regulations and Directions

4.64 In the existing Guidelines Attachment A1 (i) provides for reporting

details of breaches of approved forward obligation limits and any other breaches of the Audit Act 1901 or the Finance Regulations or Directions.²¹

4.65 This was included following a recommendation in this Committee's Report 262, Guidelines for Annual Reports.²² That requirement was intended to 'provide added incentive for a department to improve its performance.'

4.66 Departments are being given greater freedom to manage with the intention that they will be more efficient as a result. Another effect of this, however, is that breaches which occur are less likely to be 'minor' as there are not as many 'minor' restrictions to be breached.

4.67 In this overall context a contention by the Department of Veterans' Affairs is of concern. With regard to this Guideline the Department observed:

If this requires the Department to report on the details of all breaches it could add to the size of the report. The Department had 33 breaches in 1988/89 and does not propose to report on each of them in its 1988/89 report.²³

21. Guidelines Attachment A1 (i), p. 5.

22. JCPA Report 262, Recommendation 10, p. 7.

23. Evidence, p. S146.

4.68 The Committee did not find any reference to such breaches in the Department's 1987-88 report to assess whether 33 was an abnormally high or low incidence. The Committee's failure to locate the information may mean it was not reported or merely that, in the absence of any form of index and with limited time, the Committee simply could not locate the information.

4.69 The Committee recommends that:

The requirement for reporting of breaches of the Audit Act 1901 and the Finance Regulations and Directions be retained.
(Recommendation No. 22)

Business Regulations

4.70 The Guidelines provide for inclusion in annual reports of 'information on significant changes to business regulations for which the Minister has responsibility, setting out costs and benefits, including changes in public service resources'. Deletion of this Guideline was proposed by the Department of Administrative Services.²⁴ The Department was critical of the Guideline on the basis that it was unclear and also that:

It would appear difficult for a department to set out the costs of the regulations, as this could only be reasonably determined by the enterprises subject to the regulation.²⁵

4.71 If it is problematic to all departments, the clarity of the Guideline should be addressed and resolved in revising the Guidelines. The Department's concern as to the determining of the cost of regulations is, however, far more fundamental. If the costs 'could only reasonably be determined by the enterprises subject to the regulation' then the various departments cannot compare the cost of regulations with their benefits. Being unable to assess the costs and benefits of regulations would render the departments quite incompetent to give any policy advice regarding any aspect of such regulations.

24. Evidence, p. S188.

25. Evidence, p. S188.

4.72 The Committee recommends that:

- Departments take necessary measures to ensure that they are able to reasonably estimate the costs and benefits of significant changes in business regulations for which the relevant Minister has responsibility.
(Recommendation No. 23)

Significant Judicial Decisions

4.73 The Guidelines provide for annual reports to contain 'information on any significant judicial decisions affecting the department or the users of the services provided by the department, and any consequent changes in departmental procedures'. Partial removal of this requirement was proposed by the Department of Administrative Services. The Department contended that:

This guideline presents no difficulty when the department is directly involved in the decision, but it is possible for a judicial decision to be of relevance to a department without the department knowing about it; for example, a decision that is relevant to the way all Commonwealth administrative decisions are made. In such cases we would expect to receive advice from the Attorney-General's Department. Indeed, it is normal practice for the Attorney-General's Department's Annual Report to record significant judicial decisions during the year.²⁶

4.74 The Committee would be concerned if departments did not have systems in place by which they would be made aware of relevant decisions as they occurred. Additionally, the Guideline seeks information on departmental actions in response to decisions.

4.75 The Committee does not see the Department's proposed change as necessary. Rather, the Committee suggests that if the Department is concerned that it may not be aware of all significant decisions which are of relevance to it, the Department improves the relevant procedures, including liaison with the

26. Evidence, p. S188.

Attorney-General's Department, and also considers referring the relevant portion of the report to the Attorney-General's Department for checking prior to publication. This could act to ensure that at least at the end of each financial year the Department's knowledge of relevant decisions is brought up-to-date.

4.76 The Committee recommends that:

- . The Attorney-General's Department liaise with other departments to ensure all departments have in place procedures which ensure they become aware of significant judicial decisions which affect the department or users of its services. (Recommendation No. 24)

Indexes and Cross Referencing

4.77 Several submissions addressed the question of whether to include alphabetic indexes and cross references from guidelines to contents, in annual reports. These issues are addressed in Chapter 7 of this report.

CHAPTER 5

TIMELINESS

5.1 There are two distinct aspects to be considered when discussing the timeliness of reports. One is the timeliness of the production and tabling of the report. The other is the timeliness of the information contained in the report.

Timeliness of production

5.2 Subsection 25(6) of the Public Service Act 1922 provides that:

The Secretary of a Department shall, as soon as practicable after 30 June in each year, prepare and furnish to the Minister administering the Department a report on the operation of the Department during the year that ended on that 30 June.

PROVIDING INTERIM STATEMENTS

5.3 Guideline 8 of the current Guidelines provides that:

Reports should be prepared on a financial year basis and be available for the estimates debates in the Budget Sittings. When reports are not available in time, departments should provide an interim statement in A4 duplicated form (not including financial statements which have yet to be audited) for the information of the Parliament. In any case reports should be available within 6 months of the end of the reporting period.

5.4 The time at which reports are required depends upon the intended use of the report. The Senate Standing Committee on Finance and Public Administration recommended removal of the requirement in the Guidelines for an interim document to be available for the estimates debates of the Senate Estimates Committees.¹ This recommendation was based on a conclusion 'that it is neither reasonable nor necessary to require that annual reports be available for Estimates Committee hearings, although it is useful if they can be.'²

5.5 In submissions to this Committee from the President of the Senate³ and the Department of the Senate⁴, views contrary to the conclusion of the Senate Committee were put. The President of the Senate observed that:

... sufficient comment has been made in reports of Estimates Committees over the years to indicate that the reports are regarded by committee members in particular as extremely valuable source documents during the Estimates Committee process.⁵

5.6 The submission by the Department of the Senate cited a number of comments from the reports of Estimates Committees over a decade as evidence of the sustained appreciation of the utility or potential of annual reports for the estimates process.⁶

UTILITY OF INTERIM STATEMENTS

5.7 The claims of these submissions were supported by the results of a simple search of Estimates Committee Hansards from October 1988 to September 1989.⁷ This search revealed a number of instances where matters were clearly raised on the basis of departmental annual reports and a few explicit statements of time being saved through questions not being necessary because of the availability of annual reports. For example:

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1. SSCFPA Report, Recommendation No.18, p. 32, paragraph 5.15.
 2. SSCFPA Report, p. 31, paragraph 5.11.
 3. Evidence, pp. S54-7.
 4. Evidence, pp. S16-29.
 5. Evidence, p. S55.
 6. Evidence, p. S18-23.
 7. The Parliamentary Database System was used to search Estimates C Hansards for reference to 'annual report' and the resulting 144 references were manually reviewed for their relevance.

- . a series of questions by Senator Bishop to the Department of the Parliamentary Library regarding consultancy arrangements;⁸
- . a series of questions by Senator Hill to the Attorney-General's Department regarding work in preparation for possible war crimes trials;⁹
- . Senator Giles' comment with respect to the Department of Primary Industries and Energy:

We have had the opportunity of looking at your draft annual report. I am extremely grateful for the section on equal opportunity. It answers pretty well every question I would have asked, which is a refreshing state of affairs.¹⁰

5.8 In their November 1989 reports, some Estimates Committees addressed the topic of the availability of draft annual reports. Estimates Committee E observed that draft annual reports received by it 'were generally provided only a matter of days before the relevant hearings and were therefore of questionable value to members of the Committee'.¹¹ The Estimates Committee concurred with the proposal of the Senate Committee that, although departments should make every effort to make annual reports available to Estimates Committees, there should not be a requirement that this occur.

5.9 It is noteworthy that in referring for consideration by the Senate Committee, concerns about the adequacy of information provided to Senate Committees, a proposal was raised in the Senate that the requirement for draft annual reports be extended to cover statutory bodies.¹² The reference to the Senate Committee arose from the report of Estimates Committee E.

5.10 Estimates Committee D did not endorse the Senate Committee's proposal, possibly because the performance of some departments and related agencies which it reviewed was better in this regard than those reviewed by Estimates Committee E.

8. Senate. Estimates Committee A, Hansard, 26 September 1989, pp. 69-82.

9. Senate. Estimates Committee E, Hansard, 20 October 1988, pp. 178 and 220.

10. Senate. Estimates Committee F, Hansard, 28 September 1989, p. 79

11. Senate. Estimates Committee E, Report to the Senate, November 19

12. Senate Daily Hansard, Wednesday, 22 November 1989, p. 3077.

Estimates Committee D drew attention to the timeliness of the report of the Department of Defence and noted the report 'showed obvious improvements over that of the previous year'.¹³ By contrast, the Estimates Committee drew attention to the failure of the Department of the Arts, Sport, the Environment, Tourism and Territories to the requirement for advance copies of the department's annual report. The Committee drew attention to the legislative basis of the requirement.

5.11 The Estimates Committee specifically mentioned the value of the information provided by the Department of Veterans' Affairs:

The Committee was pleased to receive, well in advance of the hearing, copies of draft annual reports of agencies in the portfolio and copies of other relevant documents such as the Report of Progress against the DVA Corporate Plan. In addition, departmental officers provided a briefing for Senators in advance of the hearing to clarify non-contentious issues. These actions by the Department reduced the requirement for questioning on basic matters of fact at the hearing and substantially assisted the Committee in its examination of the estimates. The Department's performance in this regard might be taken as a model of constructive support for the estimates scrutiny process.¹⁴

5.12 The strongest - and, in the opinion of the Committee, the conclusive - argument in favour of retaining the requirement for departmental annual reports to be available for Senate Estimates Committee hearings is the extent of use of the reports in those hearings. Although the review for this Inquiry was based on a computerised search of the Hansard which only revealed explicit references to annual reports, a number of Senators were shown to be basing their inquiries on the reports.

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13. Senate, Estimates Committee D, Report to the Senate, November 1989, p. 4.
14. Senate, Estimates Committee D, Report to the Senate, November 1989, p. 2.

5.13 Instances noted included Senator Sheill¹⁵, Senator P Baume¹⁶, Senator Short¹⁷, Senator Bishop¹⁸, Senator Tambling¹⁹, Senator M Baume²⁰ and Senator Coates²¹.

5.14 As it is to be anticipated that most use of annual reports would pass without specific reference to them, this Committee concludes that the requirement that reports be available for the estimates hearings is desirable. Attention should therefore be given to means by which this can be achieved.

5.15 Another argument in favour of submission of draft annual reports for Senate Estimates is found in an observation by the Department of Aboriginal Affairs. That Department observed that, because of the timing required for Explanatory Notes, much of the drafting must be completed before the end of the financial year. With regard to reports on outcomes contained in Explanatory Notes, it advised that 'in most cases the outcomes are based on guesswork and extrapolation.'²² However, draft annual reports being required a little later can contain performance reports relating to the complete financial year.

5.16 The Committee recommends that:

- . The requirement for annual reports, or draft annual reports (excluding financial statements if audited statements are not available), to be made available to the Parliament at the time of Estimates Committee hearings be retained. (Recommendation No. 25)

PRODUCTION OF FINAL REPORT

5.17 In the context of the need for timely production of reports, the submission of the Department of Defence²³ and the Department of the Senate²⁴ warrant consideration. The Department of Defence has given particular credibility to its opinions by its

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- 15. Senate. Estimates Committee F, 28 September 1989, p. 66.
 - 16. Senate. Estimates Committee F, 28 September 1989, p. 8.
 - 17. Senate. Estimates Committee E, 28 September 1989, p. 6.
 - 18. Senate. Estimates Committee A, 28 September 1989, pp. 69-82.
 - 19. Senate. Estimates Committee E, 14 April 1989, p. 137.
 - 20. Senate. Estimates Committee A, 20 April 1989, p. 143.
 - 21. Senate. Estimates Committee D, 10 October 1989, pp. 22 and 25.
 - 22. Evidence, p. S59.
 - 23. Evidence, pp. S166-172.
 - 24. Evidence, pp. S16-29.

impressive achievement of tabling its 1988-89 report on 5 October 1989, some weeks before any other executive department. This achievement suggests the department's advice on achieving prompt reporting deserves attention.

5.18 The Department of Defence observed that the requirement for annual reports to be available for Senate Estimates in practice creates a deadline of the end of September for the annual report to be at least at proof stage. The Department observed that:

In an organisation of the size and complexity of Defence, a production timetable of three months necessitates preliminary planning for the current year's Report beginning soon after the tabling of the previous year's and for concentrated, resource-intensive activity extending from about April to September each year.²⁵

5.19 The Department of the Senate tabled its 1988-89 annual report, in photocopied form, on the second day of the budget sittings. This made the report available to all Senators more than a month before the Estimates Committee hearings for the Department were due. Printed copies of the report from the Australian Government Publishing Service were generally available ten days after it was tabled in the Senate.²⁶

5.20 It is pleasing to note that the Department of the Senate, by tabling in photocopied form, ensured that it avoided the hazard referred to by the President of the Senate in 1987. The President observed:

It might be that the search for style is delaying the delivery of substance ...²⁷

5.21 The Committee recommends that:

Departments consider the adoption of practices and production schedules which will allow for the timely presentation of their annual reports. (Recommendation No. 26)

25. Evidence, p. S171.

26. Evidence, p. S171.

27. Evidence, pp.S23 and S55.

- Departments review the specifications of their reports with a view to deleting presentational features which extend the time required for production after the collation of material. (Recommendation No. 27)

Timeliness of content

5.22 The issue of the timeliness of information contained in annual reports was not substantively addressed in any submission. Indeed comments in some submissions, by suggesting that information in annual reports would only duplicate other publications, indicated a failure to appreciate the timeliness aspect of the content of reports.

5.23 Annual reports, obviously, refer to a full financial year. Where there is a requirement to report some form of progress, therefore, the progress reported is to be to the end of the financial year. This is of particular relevance to the requirement to report on actions to implement recommendations arising from reports of the Auditor-General. One would expect substantial progress to be made between the time a department provides its response to the Auditor, which may be around the start of the financial year, and the relevant date for the annual report, which is the end of the year.

5.24 The Committee recommends that:

- Departments ensure that information included in annual reports covers, as nearly as possible, the full year to which the report relates. (Recommendation No. 28)

CHAPTER 6

ACCURACY

6.1 The accuracy of annual reports is crucial. Information in the reports must be accurate in the sense that it will not lead a reader to a conclusion or decision different from that which precise information would have led to. The importance of accuracy is heightened by the fact that generally readers of annual reports are poorly placed to assess the accuracy of information.

6.2 In its Inquiry into Compliance with Guidelines for Departmental Annual Reports¹, the Committee found few inaccuracies in the 1987-88 departmental annual reports.² This was pleasing although this Committee, not having the detailed knowledge of specialist committees of the House of Representatives and the Senate, was not in the best position to assess the accuracy of information contained in annual reports.

6.3 Relatively little reference was made in submissions to either the accuracy of reports or the means of assessing or ensuring accuracy. Under present arrangements the only external procedures to ensure the accuracy of reports are audits of financial statements and occasional reviews by Parliamentary committees.

Financial Audits

6.4 With regard to financial statements in departmental annual reports, significant assurance is provided by the conduct of audits and provision of an opinion by the Auditor-General. These audits, in addition to coverage of the financial statements, involve a review intended to ensure there is nothing in the body of the report which contradicts the financial statements.

1. JCPA Report 299, pp.12-13.

2. For example, the Department of Finance Annual Report 1987-88, p. 57 referred to an amendment to the Audit Act 1901 which would require departments, commencing with their 1988-89 reports, to list any adverse comments by the Auditor-General and parliamentary committees and indicate the remedial actions taken. The reference was incorrect as the Act had not been amended to require such reporting. More comprehensive reporting was required by the Guidelines but various departments, including the Department of Finance, did not comply.

6.5 The limited scope of financial audits, however, leaves most of the information in reports unchecked. Therefore, a reader is entirely dependent upon the producers of the reports for the accuracy of the information provided. Failure to comply with Guidelines³ and those inaccuracies which have been identified,⁴ leave scope for concern as to the veracity of the reports.

Alternatives

6.6 Several alternatives are available to attempt to increase or ensure the accuracy of reports. These are:

- . 'audits' of non-financial aspects of reports;
- . certification of accuracy by senior officers; and
- . increased Parliamentary scrutiny.

Non-financial Audits

6.7 It would be possible to operate a system of audits of non-financial aspects of annual reports. Such an approach has been adopted, with respect to performance indicators, with regard to Western Australian State departments.

6.8 Under that system the State Auditor General is required to audit each department's performance indicators and state whether, in his opinion, the indicators are relevant and appropriate having regard to their purpose, and fairly represent indicated performance. Even this limited process has not been without its problems and the Auditor General observed in his second report for 1987-88 that performance measurement is very much in its infancy and therefore there are no criteria, equivalent to generally accepted accounting and auditing standards for financial statement audits, upon which to base an audit. In the circumstances the Auditor General declined to form an opinion on any performance indicators.

6.9 As discussed more generally in Chapter 9 the Committee does not consider that the potentially great expense of non-financial audits is warranted.

3. JCPA Report 299 and SSCPPA Report.
4. JCPA Report 299.

Certification of Accuracy

6.10 The possibility of requiring a specific certification by departmental secretaries as to the accuracy, and other attributes, of annual reports is discussed in Chapter 9. In brief, the Committee considers that in signing the annual report the Secretary certifies that the report is adequate, and such adequacy requires accuracy.

6.11 In its submission, the Department of Administrative Services⁵ observed that it had required certification by program managers to the Secretary as to the accuracy of information submitted for annual reports. This was seen by the Department as emphasising the importance of the report in the accountability process.

Increased Parliamentary Scrutiny

6.12 It is not practicable to expect Parliamentary committees to verify the accuracy of all departmental annual reports. However, if the recommendation in this Report regarding annual reviews by House of Representatives Standing Committees based on annual reports is adopted, it could be expected the priority which departments give to ensuring reports are accurate will be enhanced.

6.13 Use of annual reports for reviews by House of Representatives Committees, for Senate Estimates Committee Hearings and for other Parliamentary purposes should contribute to the identification of any inaccuracies which occur.

Conclusion

6.14 The Committee is pleased that inaccuracy has not arisen as a major problem with annual reports. Ensuring that this continues, notwithstanding increasing use of annual reports and demands for more speedy report preparation, will be a challenge for all departments.

5. Evidence, p. S180.

CHAPTER 7

ACCESSIBILITY

7.1 Various factors which determine how readily accessible information in annual reports is to potential users were referred to in submissions and some others have been raised separately by the Committee.

Indexing

7.2 One submission to the Committee addressed concisely and exclusively the desirability of indexes being included in annual reports. Ms M Doolan observed:

An index makes a document more accessible to those who are seeking information about the policies, programs and activities of Government. I have many times been frustrated in consulting Government Reports by their lack of an index. Sometimes a detailed Table of Contents is provided but this is not an acceptable substitute.¹

7.3 The Committee endorses both the sentiment and the recommendation of these comments.

7.4 In Report 299 the Committee recommended the inclusion in each report of a cross reference from the Guidelines to the location in the report where each Guideline relating to content was satisfied. The Committee's recommendation was similar to one contained in the Senate Standing Committee on Finance and Public Administration report.²

7.5 The Committee recommends that:

The revised Guidelines require each report to contain a table of contents, index to contents required by the guidelines and alphabetical index. (Recommendation No. 29)

1. Evidence, p. S15.

2. SSCFPA Report, Recommendation No.13, p. x and p. 24, paragraph 4.41.

Guidelines Cross Referenced to Contents

7.6 The Senate Committee³ and this Committee⁴ have previously recommended that all annual reports include, in addition to any other form of index, a section that cross references the requirements of the Guidelines to the contents of the report. Several submissions addressed this proposal and the 1988-89 annual reports of the Department of Finance and the Department of Defence both include a form of cross-reference.

7.7 Several submissions addressed the proposal and the comments ranged from simple endorsement through to rejection. Suggestions mostly involved a list of headings equating to topics covered by the Guidelines with references given. Such an approach was used by the Department of Finance in its 1988-89 Annual Report⁵ which contains an alphabetic list of topics with references to information in the report.

7.8 The approach preferred by the Committee is the one taken by the Department of Defence in its 1988-89 report⁶. That approach is to reproduce the Guidelines and include alongside each content provision the reference to the report.

7.9 Advantages seen in this approach include:

- . the reader can see the extent of the reporting required by the Guideline;
- . a reader who is familiar with the Guidelines can quickly locate the required Guideline to find the corresponding reference;
- . there is less likelihood of a topic being excluded from the list in error; and
- . having to place a reference alongside the actual wording of each Guideline should operate more effectively than would a list of topics as a checklist to ensure compliance.

7.10 Additionally, the possibility of inconsistent selection of titles for the list of requirements would be avoided. This problem could otherwise be avoided by imposition of a standardised list of topics.

3. SSCPPA Report, Recommendation 13, p. 24, paragraph 4.41.

4. Report 299, p. 14, paragraph 3.30.

5. Department of Finance Annual Report 1988-89, p. 306-307.

6. Department of Defence Annual Report 1988-89, p. 301-307.

7.11 Benefits arising from using the Guidelines themselves for cross-referencing would be enhanced by adoption of recommendations in this report. As the individual requirements are separated, the scope for precise cross-referencing of many requirements will increase.

Size of Reports

7.12 Inclusion of a wide range of information inevitably leads to the production of large reports. Indeed, the Committee anticipates that reports produced in accordance with the recommendations of this report would be larger than existing reports.

7.13 The Committee is of the opinion that only in cases where it is clearly justified should information specified in the Guidelines be excluded from an annual report because of volume. Further, when such an instance arises, considerable summary information must be included in the report and the comprehensive information made available separately on request.

7.14 Normally, the problem of information being 'hidden' in a large report can and should be addressed by measures such as the use of appendices and inclusion of an effective index, not by excluding information.

7.15 The Department of Administrative Services raised the issue of 'the extent to which it is acceptable to provide information in a standard format in appendixes'.⁷ The Committee had not considered it necessary for the Guidelines to address such issues as it anticipated that, given a requirement to report, departments would provide the required information in the form which best suited their circumstances. The Committee can see considerable advantage in much of the detailed information being presented in appendixes, but is reticent to prescribe that or any other form of presentation.

7.16 The Committee recommends that:

- . Detailed information provided for in the Guidelines only be excluded in cases where it is clearly justified. (Recommendation No. 30)
- . When detailed information is excluded, considerable summary information be included in the report. (Recommendation No. 31)

7. Evidence, p. S176.

Departments adopt the form of presentation, for example appendices, tables or narrative, which best suits the accessible presentation of information required by the Guidelines. (Recommendation No. 32)

Price and Availability

7.17 The Department of Defence drew attention to the possibility that the price of reports may limit the public's use of those reports. The Department observed:

At the current price we are in danger of denying the general public access to the report.⁸

7.18 In its submission, The Wilderness Society similarly drew attention to the potential for the price of annual reports to act as a barrier to access to the information by individuals and community groups.⁹ Prices for the 1987-88 annual reports of the executive departments ranged from \$3.95 for the Treasury report to \$39.95 for the report of the Department of Primary Industries and Energy. Six departments had 1987-88 annual reports priced at or above \$29.95.

7.19 The Committee would be concerned if the review of departmental operations by interested individuals or groups was inhibited by the cost of reports.

7.20 The notion that those interested in assessing the performance of departments should have to pay to obtain annual reports, simply on the principle of 'user pays', is arguably incorrect and is inappropriate. The 'user pays' concept is arguably incorrect in that it is the duty of the department to account to the Parliament and the public. Therefore, in a sense, it is the departments which are the users. An analogy could fairly be drawn to private companies being empowered to determine a price to be paid by shareholders to receive their annual reports.

7.21 Furthermore, it would be inappropriate to give departments the opportunity, through setting a high price for their report and granting free copies to favourably inclined audiences, to influence the nature of its accountability.

8. Evidence, p. S170, Department of Defence referring to its 1988-89 annual report priced at \$29.95.

9. Evidence, p. S62.

7.22 For these reasons the Committee considers that all annual reports should be available for a low set price which is the same for all departments and which is not based on cost of production. This should also act as a further restraint on the cost of printing of reports as departments would pay the cost of expensive production practices.

7.23 In its recommendations the Committee proposes a fixed price of ten dollars. This is chosen as a round figure which exceeds the run-on cost of any 1987-88 annual report but is low enough that it should not pose an insurmountable barrier to access.

7.24 Similarly, if departments consider the best means of making reports available to the public is through AGPS bookshops the same retail price should apply. AGPS marketing and carrying cost could be covered by a payment from each department for the distribution service. This would reflect the fact that the service is being provided by the AGPS in order that the department is relieved of the task.

7.25 Annual reports for all departments should be available either from the same source (eg from AGPS bookshops and mail order) or by a consistent means (eg by a request addressed to the 'Annual Reports Officer' in each department). This consistency could operate to ensure the interested public are readily able to obtain a copy of any report.

7.26 Where detailed information required by the Guidelines is not included in an annual report because of bulk, that detailed information should be readily available to readers without additional cost. It would not be appropriate for interested members of the public to be required to pay for any department's attempt to save money on its annual reporting. Further, the detailed information which is not included in the report should become available at the same time as the relevant report.

7.27 The availability of, and means to obtain, detailed information would need to be made apparent in the annual report where the abbreviated information was provided.

7.28 The Committee recommends that:

- . Each department make its annual report available to the public for a retail price of no more than \$10.00 per copy. (Recommendation No. 33)
- . Annual reports for all departments be available to the public from the same sources or from consistent sources. (Recommendation No. 34)
- . Detailed information required by the Guidelines but excluded from the report as an economy measure be made available to readers contemporaneously with the annual report and without additional charge. (Recommendation No. 35)

Standard Format and Content

7.29 Several submissions proposed standardisation of aspects of the report. For example, the Department of Social Security contended that, notwithstanding the desirability of some flexibility, 'there is a need to have specific standards and guidance for certain types of information'.¹⁰ The Department cited Freedom of Information and financial statements as areas for which guidelines had been provided and observed:

Standards could be established for such items as:

- . an index and table of contents;
- . information in certain appendices common to all Departments;
- . corporate service management issues common to all Departments, e.g. training, industrial democracy, property, OH + S, EEO and personnel (EEO is the only management item for which guidelines currently exist);
- . consultants; and
- . reviews by the Auditor-General.¹¹

7.30 In a similar vein the Attorney-General's Department proposed standard formats for consultants, post separation employment cases, reviews by the Auditor-General, and standard appendix numbers for compulsory items.¹²

10. Evidence, p. S139.
11. Evidence, p. S140.
12. Evidence, p. S154.

7.31 The Committee's primary concern is that information be provided and that it be accessible. To the extent that this is aided by standardisation, the Committee favours such standardisation.

7.32 One major advantage of the various standards proposed by the Department of Social Security is that they could largely satisfy the need expressed in several submissions for more detailed descriptions of reporting requirements.

7.33 With regard to presentation requirements, such as standard formats for personnel information, the Committee foresees departments having concerns at being required to report in inappropriate formats. An example might be the problem of trying to fit personnel data for Department of Social Security with its many staff and numerous regional offices into the same format as data for the relatively small and centralised Department of the Prime Minister and Cabinet. To resolve this problem the Committee advocates that detailed aspects of any standard formats, at least for the first few years, be non-compulsory.

7.34 The Committee recommends that:

- . Under the co-ordination of the Department of the Prime Minister and Cabinet, consideration be given to the scope for development of standard content and or presentation requirements for the various topics which the guidelines require that annual reports address. (Recommendation No. 36)
- . Under the co-ordination of the Department of the Prime Minister and Cabinet, consideration be given to which organisations would be best placed to draft standard content or presentation requirements for each topic. (Recommendation No. 37)
- . If standard content or presentation requirements are to be prepared for any topics, they be prepared for adoption with effect from the 1990-91 annual reports. (Recommendation No. 38)

Consideration be given to standard reporting formats being compulsory at the broad level, for example, a specific topic in a specific appendix, but optional at detailed levels, for example, layout of tables to show staffing information. (Recommendation No. 39)

Electrifying Reports

7.35 One option which was not raised in any submission is that of making the information contained in reports available by means other than books. With the increased use of computers there appears to be scope to make annual reports available electronically.

7.36 Options which may warrant consideration are:

- . on-line access through the Parliamentary Information Systems Office computer system for parliamentarians, their staff and staff of the parliamentary departments;
- . having reports available through a 'bulletin board' style of service; and
- . providing annual reports, as an option, on floppy disk.

7.37 The Committee does not propose that these options be adopted immediately nor does it contend that they could be adopted without problems. It is, however, appropriate to look for better means of supplying information to users.

7.38 One problem cited with regard to annual reports is the difficulty of locating data and this is an area where computers have great potential. At least for users within Parliament House, who share the parliamentary network, there could be scope for improved information delivery through computerisation.

7.39 The Committee recommends that:

- . Departments give consideration to the possibility of using developments in computer technology to improve the accessibility of annual report information.
(Recommendation No. 40)

CHAPTER 8

COST

There is a certain cost for democracy.¹

When departments are responsible for hundreds of millions of taxpayers dollars, the expenditure on annual reports should not be a penny pinching exercise that restricts or reduces information ... If there is need for economies then perhaps some of the ultra glossy photos, artwork and presentations could be scaled back.²

Types of Cost

8.1 The costs incurred by departments in the production of their annual reports can be divided into two categories - compilation costs and publication costs.

8.2 Compilation costs are those involved in preparing the material which is included in the report. In a great many cases this will not involve compiling information so much as extracting elements from the internal management information systems. In these instances the compilation cost is the marginal cost of extracting and collating the information rather than the full cost of compiling the data base.

8.3 Publication costs are those directly related to producing and distributing the report. For the traditional book style report this would involve the costs of preparing camera ready copy or typesetting, paper, printing and distribution.

The Cost of Annual Reports

8.4 Few departments provided advice by way of compilation or publishing costs. This, unfortunately, restricts the scope for assessing the potential or desirability of reducing those costs.

1. Evidence, p. S13.
2. Evidence, p. S14.

8.5 The Department of Immigration, Local Government and Ethnic Affairs³ (DILGEA) reported that the total cost of its 1987-88 annual report was \$42 131. The cost of its 1988-89 annual report was, however, estimated to be around \$250 000. The Department advised that the increase would result from:

... the intensive effort applied by staff throughout the organisation and some four months work by a full-time editor.⁴

8.6 It is noteworthy that the AGPS Job Cost for the 1987-88 DILGEA annual report was \$25 764.⁵ This, taken with the total cost advised for that report, indicates the costs within the Department were about \$17 000. When compared to the equivalent 1988-89 annual report cost estimate which, even if the AGPS Job Cost had doubled, would be around \$200 000 this suggests to the Committee that the increase would be at least as much the result of a change in the basis of calculating the cost of the annual report as it is of any increase in that cost.

Scope to Reduce the Cost

8.7 The Committee obtained from the AGPS a variety of information on the publication costs for 1987-88 departmental annual reports. This information and some derived data is shown in Table 1. Equivalent information regarding compilation costs would have to come from departments themselves and was not incorporated in submissions other than that of DILGEA discussed above.

8.8 Analysis of publication costs indicated that the total cost varied greatly between departments, even when allowance was made for differing numbers of reports produced. The Committee used the information provided by AGPS to calculate the cost for each department's report for a run of 1030 copies.⁶ This was the minimum number of reports produced for any department, and would be more than enough to cover the tabling of the report in Parliament.

3. Evidence, p. S37.

4. Evidence, p. S37.

5. SSCPPA Report, Appendix XIII, p. 83; and AGPS information on annual report costs. JCPA file 1989/1, Part A. AGPS to JCPA, 27 October 1989.

6. The calculation was made by deducting from the total cost, the number produced in excess of 1030 multiplied by the run-on cost per unit.

TABLE 8.1 - DEPARTMENTAL ANNUAL REPORTS 1987-88

DEPARTMENT	A (1) TOTAL COST \$	B (1) DEPARTMENTAL QUANTITY	C (1) AGPS SALES QUANTITY	D (1) NUMBER SOLD	E (1) RETAIL PRICE \$	F (1) RUN-ON PRICE \$	G (2) COST FOR 1030 COPIES \$	H NUMBER OF PAGES	I (3) INDEX OF COST PER PAGE \$
Administrative Services	16,016.20	2,500	110	110	24.95	4.15	9,915.50	256	165
ACT Administration (DASSET VOL 2)	12,336.34	1,500	100	89	24.95	3.94	10,484.54	250	179
Arts, Sport, the Environment, Tourism and Territories	19,015.29	1,700	100	77	29.95	4.99	15,671.99	306	218
Aboriginal Affairs	14,624.49	5,000	80	80	14.95	2.49	4,739.19	144	140
Veterans' Affairs and Repatriation Commission	19,004.19	4,500	Nil	-	-	2.89	8,975.89	166	230
Treasury	2,000.00	1,230	100	92	3.95	0.65	1,870.00	34	234
Transport and Communications	20,823.03	3,030	130	119	34.95	5.82	9,183.03	322	121
Social Security	15,861.45	4,030	160	160	16.95	2.82	7,401.45	210	150
Prime Minister and Cabinet	4,354.26	1,030	80	(4)	9.95	1.80	4,354.26	100	186
Primary Industries and Energy	23,736.91	2,500	120	98	39.95	6.65	13,961.45	280	212
Industry, Technology and Commerce	28,107.15	4,530	140	131	29.95	4.99	10,642.15	268	169
Industries Relations	10,602.87	1,500	130	70	19.95	3.30	9,051.87	166	232
Immigration, Local Government and Ethnic Affairs	25,763.92	3,530	200	80	29.95	4.99	12,288.92	224	234
Foreign Affairs and Trade	26,400.00	3,500	100	100	24.95	4.15	16,149.50	242	284
Finance	9,621.65	2,000	80	56	24.95	4.15	5,596.15	204	117
Defence	13,859.00	4,030	220	215	19.95	3.32	3,899.00	166	100
Employment, Education and Training	25,832.00	5,000	160	149	24.95	4.15	9,356.50	226	176
Community Services and Health	8,697.68	3,030	250	231	14.95	2.49	3,717.68	136	116
Attorney General's	13,887.85	1,300	60	60	29.95	4.99	12,540.55	292	183

Source: Australian Government Publishing Service, 1989.

Notes: (1) Information provided by AGPS.

(2) Cost for 1030 copies calculated as total cost less the run on cost of the number in excess of 1030 which were produced for the department. Expressed as an equation using the letters for the relevant columns this is: $G = A - (B - 1030)F$.

(3) Index of cost per page is based on the standardised production volume of 1030 copies. Expressed as an equation using the letters for the relevant columns it is calculated on the basis of: $I = G/H$. The values of I are adjusted to give an index with the lowest cost-per-page having an index value of 100.

(4) Information not supplied.

8.9 Variation in the total cost, on this basis, reflected the set-up costs and run-on costs of various reports rather than the number of reports actually printed. The most expensive reports were those of the Department of Foreign Affairs and Trade (\$16 149.50 for 1030 copies, 242 pages) and Department of the Arts, Sport, the Environment, Tourism and Territories (Volume 1, \$15 671.99, 306 pages). Among the cheapest were the Department of Community Services and Health (\$3717.68, 224 pages) and the Department of Defence (\$3899.00, 166 pages). The largest report, that of the Department of Transport and Communications, was of a mid-ranking cost in these standardised terms (\$9183.03, 322 pages).

8.10 Further manipulation of the cost figures allowed comparison of the average cost per page of the various reports. Table 1 shows the relative costs on this basis as an index figure. As can be seen from the Table, this cost measure varied considerably between reports and was not simply related to report size. This suggests there is considerable scope to reduce the publishing costs of some reports.

8.11 Faced with a lack of reliable information on how the cost of producing annual reports has changed with the recent increased awareness of the Guidelines, it is difficult to assess the need to reduce the cost. However, on the principle that any expenditure which does not yield an equivalent benefit is wasteful and should be avoided, the Committee has considered a number of potential cost reduction measures.

Standardisation

8.12 Standardisation was suggested in several submissions as a cost reducing measure.⁷ It was also suggested as a means of improving the accessibility of information.⁸

8.13 It is not possible to estimate the potential saving in the cost of compilation through use of a standardised format either between departments or over years. Certainly there is scope for saving of creative time, and/or consultants' fees if the design of the report is carried over from year to year. Additionally, the effort required to ensure information required by a particular Guideline had not been omitted would be reduced if the information was always included in, for example, a particular appendix to the report.

7. Evidence, p. S3 and p. S30.

8. Evidence, p. S30 and p. S156.

8.14 Publication costs could also be reduced, though only marginally, through further standardisation. Advice from the AGPS⁹ did not indicate scope for savings from standardisation of content and indicated that AGPS did not charge departments for artwork for covers. Thus, repeated use of an AGPS designed cover would yield a saving for AGPS rather than the department.

8.15 While individually achievable savings are marginal, collectively they could be significant. Such potential for savings would be particularly relevant to departments which were finding the cost of the annual reporting requirements to be a problem. Clearly, it would be preferable to have a reduction in diversity rather than a reduction in information. This is particularly so in view of the improved accessibility which standardisation can bring to information.

8.16 The Committee is aware of the potential benefit from gradual improvement in the form or layout of reports but would be concerned at a waste of funds on change for the sake of change.

8.17 The Committee recommends that:

Departments standardise the content and presentation of their annual reports and make changes only when the benefits, such as in improved accessibility of information, exceed the costs. (Recommendation No. 41)

Presentation of Reports

8.18 The current Guidelines require that departmental annual reports be produced in accordance with AGPS Guidelines. The Department of Employment, Education and Training expressed concern 'that the current AGPS guidelines are out-dated and unnecessarily pedantic'.¹⁰ No submission proposed that AGPS Guidelines should not be complied with. The Committee did not attempt to assess whether the AGPS Guidelines were 'unnecessarily pedantic', concerning itself with the broader requirements rather than requirements as to punctuation.

9. JCPA file 1989/1, Part A. AGPS to JCPA, 27 October 1989.
10. Evidence, p. S241.

8.19 There is scope for departments to reduce the cost of producing reports by taking advantage of the fact that the AGPS Guidelines generally set maximum standards of presentation which may not be exceeded, rather than minimum standards. It should also be remembered that claims that program performance has been hindered by a lack of resources may lack credibility if published in expensive reports with numerous photographs.

8.20 Advice from the AGPS indicated that the run-on cost of reports can be increased significantly by choice of higher quality paper. Choice of coated paper, which is required for reproduction of half tones, could increase the run-on cost by about one third. Other 'quality' features such as additional colours, photographs, and higher standard material for covers also contribute to cost. However, it is noteworthy that as the cost of production is low compared to the overall cost of reporting, these increases are unlikely to be large in absolute terms. Such increases are, however, entirely discretionary.

8.21 The Committee recommends that:

Departments ensure that standards of presentation are kept modest to minimise cost in keeping with general efforts to achieve efficiency. (Recommendation No. 42)

Abbreviating Content

8.22 It is possible to reduce the cost of report production through reducing content, however, as the bulk of the cost of reporting is involved in collating the content, the cost and benefit must be carefully considered. If information is to be reported it must be collated, therefore, whether it is included in the annual report or in another document, the largest portion of the cost is unchanged.

8.23 Where a department proposes to make detailed information on request rather than including it in the annual report, consideration must be given to the costs associated with supplying the information. These costs would include staff time responding to requests, the costs of printing the detailed information and the cost of delivering it promptly to the interested reader.

8.24 Similarly, the benefit of including bulky information in a low volume document, such as Explanatory Notes, rather than the annual report is marginal as most costs would still be incurred. Any marginal cost saving must be weighed against the reduction in the distribution of that information.

Conclusion

8.25 The Committee concluded, on the information available to it, that the cost of producing annual reports, although considerable, was not disproportionate to their value. In particular, it was not considered that potential cost savings would justify a reduction in the information required by the Guidelines. This conclusion was, in part, based on an awareness that most, if not all, of the information would be required by departmental management and would be readily available within the department. Therefore the cost of including it in the annual report would be marginal.

8.26 The Committee recommends that:

- . Departments ensure that means by which costs can be reduced while still achieving a minimum acceptable presentation have been adopted before abbreviating content to reduce the cost of producing an annual report.
(Recommendation No. 43)

CHAPTER 9

ENSURING ADEQUATE REPORTING

9.1 No purpose is served by having a set of guidelines or requirements for reporting if the reports produced do not comply with those provisions.

9.2 Much of the value of parliamentary scrutiny of the 1987-88 departmental annual reports, for example, was lost as the inquiries by the Committee and the Senate Standing Committee on Finance and Public Administration had to concentrate on the failure of departments to meet the Guidelines. Parliamentary committees are concerned with identifying scope for improving the operation of the public sector. While members of committees hold varying opinions on how this may best be done, all would agree that it is exceptionally frustrating to be obliged to spend scarce time in simply trying to have minimum legal reporting requirements met by departmental secretaries.

Annual Reports Legislation

9.3 The requirement for executive departments to produce annual reports is currently laid down in the Public Service Act 1922. Specific requirements for some departmental operations are included in other legislation. On occasion, it has been suggested that it would be beneficial to have separate legislation covering at least the more general requirement for annual reports.

9.4 There is scope to question whether separate legislation would have any particular effect.

9.5 Existing models, for example NSW and WA State legislation, indicate that while the requirement for annual reports could be specified in the legislation the detailed requirements would, as now, be laid down in ministerial guidelines. This does not appear to differ significantly from the current position where the requirement for a report is set in the Public Service Act and the detail specified in the Prime Minister's Guidelines.

9.6 One potential benefit of specific annual reports' legislation is that it would highlight the requirement for annual reports. The Committee considers that this requirement has been highlighted by parliamentary attention to annual reports and that implementation of recommendations in this Report will ensure that awareness of the requirement is maintained. Of greatest importance in this context are recommendations relating to:

- . reference in the Guidelines to the legislative basis for reporting;
- . consolidation of reporting requirements in an annual reporting handbook; and
- . regular reviews of departments by House of Representatives Standing Committees based on annual reports.

Independent Review of Annual Reports

9.7 It would be possible to have an independent body analyse annual reports and verify matters such as compliance with reporting requirements. This sort of approach is adopted with regard to financial statements which are audited by the Auditor-General.

9.8 The Committee considers that to have an organisation specifically checking the departmental annual reports for compliance with the Guidelines would be expensive and, therefore, should be avoided if possible. If action is taken to ensure that the reporting requirements are known and are clear, and if a procedure for regular review of departments by the Parliament on the basis of annual reports is established, annual reports should comply with the Guidelines in future years.

9.9 Although, as outlined above, the Committee does not propose the conduct of independent reviews of reports at this time, the Committee considers such an approach to be a valid option for the future. For this reason it is appropriate to consider a matter raised by the Department of the Prime Minister and Cabinet.

9.10 The Department of the Prime Minister and Cabinet provided written answers to a series of questions from the Senate Committee. A copy of those questions and answers was provided to the Committee.¹ The first question related to measures 'undertaken by the Department of the Prime Minister and Cabinet to (a) monitor compliance with its guidelines, and (b) ensure compliance with its guidelines?'²

9.11 The reply from the Department observed that it did not consider its role to include monitoring or ensuring compliance. In support of this position it observed that the Public Service Act made secretaries responsible for the preparation of departmental annual reports. The Department contended that conformity with the Government's policy of devolving responsibilities from central agencies to individual departments requires that departments themselves answer to the Parliament for the adequacy of their annual reports.³

9.12 The suggestion that devolution, by requiring departments to be directly answerable to Parliament, in some way precludes the operation of a body to monitor or ensure compliance is not sound. This can readily be illustrated by reference to the financial portion of annual reports.

9.13 Financial statements are required to be prepared by each department and incorporated in the relevant annual report. Those statements and the records on which they are based are subject to audit by the Auditor-General before the statements are published. If the contention of the Department of the Prime Minister and Cabinet was correct, this involvement by the Auditor-General would be incompatible with 'the Government's policy of devolving responsibilities from central agencies to individual departments'.

9.14 The idea of Parliament, through its committees or otherwise, undertaking the reviews currently conducted by the Auditor-General would clearly be unworkable. To require parliamentarians to spend their time performing audits or conducting hearings to establish the veracity of the statements would be extremely wasteful of their time. To avoid this waste of time the Parliament delegates to the Auditor-General the task of performing the audits and then, at its discretion, the Parliament may follow up specific issues.

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1. Evidence, 29 May 1989, pp. 7-14 and JCPA file 1989/1, Part A, folio 21.
 2. JCPA file, 1989/1, Part A, folio 21.
 3. JCPA file, 1989/1, Part A, folio 21.

9.15 It would be quite feasible, if resource intensive, for the Auditor-General, the Department of the Prime Minister and Cabinet or some other body to perform a review of other aspects of annual reports.

9.16 Whether the Department of the Prime Minister and Cabinet would be the appropriate body to be delegated the task of reviewing non-financial aspects of reports is a matter for judgement. To argue against this delegation on the basis that Parliament itself must perform the role is, however, unsustainable.

Sanctions for Non-compliance

9.17 In its Report 299, Compliance with Guidelines for the Preparation of Departmental Annual Reports, the Committee addressed the issue of sanctions for non-compliance with the Guidelines.⁴ The Committee observed that advice from the Attorney-General's Department indicated the only formal sanction available for any non-compliance is that under section 57 of the Public Service Act. Application of section 57 would require initially that a Minister suspend the departmental secretary from duty and charge him with failure to fulfil his duty.

9.18 The Committee also raised the question of whether alternate sanctions should be available.⁵ In particular, the option of considering sanctions applying to equivalent requirements in the private sector was raised.

9.19 The question of the appropriate sanctions for non-compliance was addressed in the submission from the Department of Defence. The Department of Defence argued that under the Public Service Act the annual report is a report to the Minister and that therefore 'It is thus proper that sanction for non-compliance be the decision of the Minister.'⁶

9.20 For the reasons outlined in Chapter 3 the Committee does not accept the Department's contention that the Act provides that the annual report is a report to the Minister. However, even if the Department's interpretation were accepted, it is not apparent to the Committee that it would thus be 'proper that sanction for non-compliance be the decision of the Minister.'

4. JCPA Report 299, paragraphs 2.11 - 2.14.

5. JCPA Report 299, paragraph 2.14.

6. Evidence, p. S172.

9.21 It is a requirement of legislation enacted by the Parliament that a report be prepared in a certain form, be furnished to the Minister and be tabled in Parliament. Whether a particular Minister is concerned by, or even aware of, the adequacy of the standard of such a report does not affect the legislated requirement that an appropriate form of report be furnished. In this circumstance it is not apparent to the Committee why it would not be proper, should the Parliament so choose, for legislation to provide that sanction for non-compliance be the decision of someone other than the Minister.

9.22 Another submission which addressed these issues was from the Australian Society of Accountants. In respect of reports which are tabled late, the Society advocated strong public criticism, where appropriate, by a parliamentary committee. It advised that 'Formal disciplinary measures under the Public Service Act are inappropriate.'⁷

9.23 The Committee expects that recent publicity regarding annual reports together with amendments proposed in this Report, will operate to ensure that appropriate priority is given to annual reports and that the reports will comply with the Guidelines. In view of this, and cognisant of the ability of the Parliament to obtain information by other means if necessary, the Committee does not consider provision for specific sanctions is appropriate at this time.

9.24 In reaching this conclusion the Committee has taken into account:

- . that the information required in departmental annual reports is generally far more detailed than that required in the private sector, and the great majority is normally provided;
- . that the Parliament can obtain required information by means of other accountability processes, albeit at the expense of the time of parliamentarians, Ministers and public servants;
- . that Ministers can be expected to use some influence to ensure reporting requirements are met;

7. Evidence, p. S87.

- . that introduction of specific sanctions would require a considerable tightening up of the Guidelines which would be likely to involve excessive rigidity; and
- . that, should the Parliament not receive the reports it requires in future years, legislative sanctions could be introduced to force an improvement.

9.25 The Committee does not permanently rule out the option of specific sanctions for non-compliance and considers the option should be kept under review dependent, primarily, on the success of the currently proposed methods in achieving the required reporting.

Secretary's Statement

9.26 One of several options referred to in the terms of reference for the Inquiry was a statement by the departmental secretary certifying that the report complied with the reporting requirements.

9.27 The Australian Society of Accountants addressed this option specifically in regard to ensuring the accuracy of information. In its submission it said:

Parliament has a proper expectation that a high standard of accuracy will be observed in any report to be tabled. Since departmental reports are cleared by the departmental Secretary, it could be accepted that he or she takes full responsibility for its contents without signing a certificate to that effect.⁸

9.28 The Committee agrees with the Society's view and considers it is appropriate to all aspects of the report and not only to accuracy. Further, the Committee notes that the Guidelines require the departmental report to identify the legislation under which the report is prepared. It would seem that if a secretary signs a report which purports to be a report under section 25 of the Public Service Act, then the secretary is stating that the report meets the requirements of that legislation. This assertion will be strengthened if the recommendations in this report are adopted as they will clarify the requirements and the legal basis of the Guidelines.

8. Evidence, p. S88.

Competitions for Annual Reports

9.29 In his submission to the Committee, Senator Archer observed:

We do not print Departmental Reports to win competitions; only to fulfil the statutory requirements in the form the parliament lays down.⁹

9.30 There is potential for considerable benefit from competitions and awards for reporting. This is, however, dependent on the criteria for the competition being compatible with the requirements for reporting.

9.31 In a submission to the Committee, Mr R Moore was quite emphatic on the adverse effects of competition on the cost-effective production of annual reports. That submission did not, however, quote specific examples. The submission observed:

Another factor which contributes to the preparation time and cost of such reports is competition among the Commonwealth departments to produce the slickest, best-looking report. There are even officially recognised awards for annual reports, which encourage and stimulate interdepartmental competition. It might be said that competition is healthy, but I fear that its main result is to create an atmosphere where the purpose of annual reporting is forgotten; where the physical document itself becomes the objective, not the information it contains; where it becomes part of a wider public relations exercise; where the prize is official approval and a higher public profile.¹⁰

9.32 That submission recommended that annual awards be discouraged or discontinued as:

9. Evidence, p. S12.

10. Evidence, p. S2.

Rather than competition promoting quality, it encourages scheming, manipulation, excessive costs and much energy that could better be spent on content.¹¹

9.33 The Committee does not accept that annual report competitions should be discouraged. Rather, competitions should be encouraged provided the assessment criteria are consistent with the role of departmental annual reports and the pre-eminent criterion for assessing departmental annual reports is the requirement placed on the report by the Parliament for which it is produced.

9.34 The ACT Division of RAIPA has operated a system of awards for annual reports for some years. The Committee understands that this system of awards has contributed to the improvement of departmental annual reports.

9.35 There may be scope for the RAIPA scheme to provide further direct encouragement to good performance. This could be done by, for example, excluding from consideration for the major awards, reports which were not available, at least in draft, for Senate Estimates Committee hearings or which failed to satisfy one or other of the more significant content requirements.

9.36 There is scope for annual reports to be improved through departments striving to please judges for awards. It is, however, essential that departments not lose sight of the fact that annual reports are prepared to inform the Parliament and not to win competitions.

11. Evidence, p. S3.

CHAPTER 10

PRESENTATION OF THE GUIDELINES

10.1 The Guidelines for the Preparation of Departmental Annual Reports, as presented in Parliament by the Prime Minister, prescribe reporting requirements for the most senior Commonwealth public servants. Failure to produce annual reports in accordance with the Guidelines can comprise a breach of the Public Service Act 1922 and, under the Act, could lead to the secretary of a department being stood down. The Guidelines also define primary reporting requirements in respect of departmental operations involving the expenditure of billions of dollars of public funds.

10.2 Despite this authority and importance of the current Guidelines they have been presented as six pages of typescript. They have only been identified by the heading 'Guidelines for the Preparation of Departmental Annual Reports'. There is not even a statement of the status of the Guidelines, much less any means by which the reader may verify that they do indeed have that status.

10.3 The Committee considers steps should be taken to ensure that the authority of the new Guidelines is apparent from a reading of the Guidelines themselves. Additionally, it should be possible to distinguish earlier and later versions of the Guidelines and a means should be provided for readers to establish whether the version of the Guidelines which they hold is the most recent.

10.4 The Committee recommends that:

- The Guidelines contain an introductory paragraph indicating that Section 25(7) of the Public Service Act 1922 requires that departmental annual reports be produced in accordance with the Guidelines. (Recommendation No. 44)

- The Guidelines be issued in a form which indicates it is a document with some status, eg on Prime Ministerial letterhead and with the Prime Minister's signature. (Recommendation No. 45)

- Each page of the Guidelines include a header or footer which includes the title, date, total number of pages in the document and the page number. (Recommendation No. 46)
- To enable readers to obtain clarification of the Guidelines and to establish whether the Guidelines they hold are the latest issued a contact officer within the Department of the Prime Minister and Cabinet be nominated by title in the Guidelines. (Recommendation No. 47)

Handbook of External Reporting

10.5 The Senate Standing Committee on Finance and Public Administration recommended that the Department of the Prime Minister and Cabinet develop and maintain a Handbook of External Reporting to consolidate annual reporting requirements.¹ The Committee firmly endorses this proposal.

10.6 Various guidelines should be consolidated in one reporting handbook for the same reason as information from various sources is consolidated in the annual report. That is, because consolidating the material in one document makes access far more convenient for the user.

10.7 The Handbook could be compiled by the Department of the Prime Minister and Cabinet as the co-ordinators of the Guidelines. Revisions to the Handbook relevant to reports of a financial year could be released in December or January of that year. Later amendments are highly undesirable in view of their likely impact on schedules for production of timely reports.

10.8 The Committee recommends that:

- The Department of the Prime Minister and Cabinet compile and disseminate an Annual Reporting Handbook which consolidates all documents specifying requirements for departmental annual reports. (Recommendation No. 48)

1. SSCFFPA Report p. 23, para.4.35.

- . An annual update of the Annual Reporting Handbook, when required, be issued by January and, except in exceptional circumstances, no later amendments be made which relate to reports covering the financial year which is in progress. (Recommendation No. 49)

Structure of the Guidelines

10.9 The current Guidelines are divided into sections headed General Principles and Contents, and three Attachments. The Attachments are titled A. Management Issues, B. Financial Statements and C. Staffing Information.

10.10 This format is not particularly clear and does not provide much assistance for users of the Guidelines seeking to find the requirements relevant to a particular topic. In the words of the Attorney-General's Department, the present segmentation 'makes the guidelines difficult to follow, contributes to a lack of certainty about what is required and causes (or creates the potential for) overlap and duplication between items.'²

10.11 The Committee considers ease of use of the Guidelines could be enhanced by dividing the requirements into subject areas. Such a system is proposed by the Attorney-General's Department,³ although alternative divisions could be devised.

10.12 The Committee recommends that:

- . For ease of use the Guidelines be divided into appropriate subject areas identified by sub-headings. (Recommendation No. 50)

Numbering of Requirements

10.13 The current Guidelines are divided into a series of numbered points. Each point, however, does not always relate to a single requirement. In some cases a single point relates to more than one distinct topic; for example, Guideline 9(d) refers to legislation administered by the department as well as to aspects of programs.

2. Evidence, p. S150.

3. Evidence, pp. S150.

10.14 The Committee considers that the task of preparing a report which complies with the Guidelines would be aided by having each Guideline or sub-section thereof refer to a single requirement. This would also greatly simplify the task of assessing whether the report complies with the Guidelines, as compliance with each sub-section will be assessable on a simple 'yes' or 'no' basis. This should assist senior officers of departments to ensure the final report meets the Guidelines.

10.15 Both the Committee's Report 299⁴ and the Senate Committee report⁵ recommended the text of the Guidelines be included in each annual report with references to corresponding sections of the report. Such cross-referencing will be easier to accomplish and more efficient to use if each sub-section relates to a single requirement.

10.16 The Committee recommends that:

Each guideline be structured such that individual requirements are individually numbered. (Recommendation No. 51)

Reference to Other Requirements

10.17 The current Guidelines call up a number of other documents as reporting requirements; for example, guidelines determined by the Minister for Finance.⁶ It is essential that, if a specific version of such documents is to be used, the Guidelines clearly state which version is intended. On the other hand, if it is intended that revised versions of such documents be used as they are released, it is necessary for the Guidelines to state that and provide a means whereby the user may identify and obtain the latest version.

10.18 It would be possible for each user of the Guidelines to individually track down the source of the various documents and then determine which versions are the most recent. Rather than having this time-consuming process repeated by each user it would be possible to have an annual reporting handbook, as discussed above.

4. JCPA Report 299.

5. SSCFPFA Report.

6. Guideline, Attachment B1.

10.19 **The Committee recommends that:**

- . **Where the Guidelines refer to another document which specifies the detailed reporting requirement, the reference clearly identify which version of the document applies. (Recommendation No. 52)**

- . **Where the 'latest' version of another document is to be used the Guidelines include reference (by title, telephone number and address) to an officer to be contacted to ascertain and obtain the most recent version at any time. (Recommendation No. 53)**

CHAPTER 11

PARLIAMENTARY REVIEW BASED ON ANNUAL REPORTS

11.1 It is not possible to identify the full extent of the use of annual reports by the Parliament. As mentioned elsewhere, it is clear from a review of Senate Estimates Committee Hansards that in questions a considerable number of explicit references are made to departmental annual reports. It is reasonable to expect that there are many more references during those hearings where explicit mention of annual reports is not made although Senators utilise information in reports to raise issues with departments.

11.2 Also notable are instances where explicit mention is made of the usefulness of information contained in annual reports in reducing the need for questioning to obtain factual information.

11.3 Use can also be made of annual reports in preparing for debates and questions in Parliament although the extent of this use is, and will remain, largely hidden.

11.4 The Committee considers that departments should endeavour to provide as much useful information as is practicable and in the most readily accessible form that is possible. In doing so departments must expect one effect of successful reporting to be that use of reports will usually pass without acknowledgement.

Expanded Parliamentary Scrutiny

11.5 The Committee can see scope for benefit through an extension of parliamentary scrutiny based directly on departmental annual reports.

11.6 Witnesses to both the Committee and the Senate Standing Committee on Finance and Public Administration referred to a lack of apparent use of departmental annual reports. The experience of members of the Committee is that considerable use is made of these reports and as the reports improve so will the scope to use them.

The Committee agrees with the various witnesses, however, that if the Parliament made more explicit use of annual reports there would be more incentive for improvement of the reports. A more significant consideration for the Committee is the benefit to the Parliament and departments from a more regularised review of departmental operations. Such reviews could complement the well-established Senate Estimates process.

11.7 In order to avoid substantially increasing the workload on departments and the Parliament it is preferable that such reviews be conducted by existing committees. For a variety of reasons, principally to give Members an increased opportunity to gain an insight into the operations of departments and to avoid disrupting the long-standing roles of other committees, it would be advantageous to have these reviews conducted by the respective Standing Committees of the House of Representatives.

11.8 As discussed in Chapter 2, the Committee recommends that:

The Standing Committees of the House of Representatives be assigned the ongoing role of conducting reviews of departmental operations based upon the annual reports of departments. (Recommendation No. 2)



R E Tickner, MP
Chairman
29 November 1989

GUIDELINES FOR THE PREPARATION OF DEPARTMENTAL ANNUAL REPORTS

General Principles

1. Reports should be accounts of departmental operations during the year under review. Special attention should be given to changes that occurred during the year, and departments may wish to foreshadow expected developments in some areas.
2. The orientation of reports should be towards performance, and the administrative and managerial aspects of departmental activities.
3. Reports should be concise, and achieve a balance between the need to avoid undue repetition of material available to the public elsewhere and the need to provide a comprehensive overview of operations.
4. There should be consistency with information provided by departments in other forms (e.g. in Budget Papers). Any material inconsistencies should be explained.
5. Care should be taken in presenting any comments with a bearing on the operations of other departments or of authorities.
6. The structure and layout of reports should be designed to ensure clarity and public acceptability. AGPS guidelines on standards of production must be observed. Consideration should be given to the advantages of camera-ready production.
7. The detailed content and structure of reports are the responsibility of Secretaries of departments, who should consult their Ministers as appropriate.
8. Reports should be prepared on a financial year basis and be available for the estimates debates in the Budget Sitings. When reports are not available in time, departments should provide an interim statement in A4 duplicated form (not including financial statements which have yet to be audited) for the information of the Parliament. In any case reports should be available within 6 months of the end of the reporting period.

Contents

9. Each report should contain (but not necessarily be limited to):
 - (a) a reference to the legislation requiring the preparation of a report, that is, sub-section 25(6) of the Public Service Act 1922, and an indication (in either the letter of transmittal or in the contents pages)

of reports made pursuant to other Acts, which are included in the annual report;

- (b) a clear statement of the department's goals;
- (c) a description of the department's structure, with an organisation chart, showing senior officers, regional offices and associated bodies;
- (d) an account of the department's significant activities during the year, showing the legislation it administers and, in respect of each of its programs:
 - i) objectives;
 - ii) results achieved and progress towards the achievement of objectives and targets;
 - iii) resources used; and
 - iv) reasons for any significant delays, amendments, deferral or cancellation;
- (e) an account of the management of the department during the year, including the operation of any major trust funds/trust accounts and other trading and/or cost recovery activities, and, as appropriate, financial and staffing information of the kinds listed in the attachment to these guidelines;
- (f) information on significant changes to business regulations for which the Minister has responsibility, setting out costs and benefits, including changes in public service resources;
- (g) an account of activities in the field of occupational health and safety;
- (h) a report of the implementation and operation of the department's industrial democracy plan, as required under s.22C of the Public Service Act 1922;
- (i) a summary of the department's equal employment opportunity plan, with performance assessed against it;
- (j) information on post-separation employment cases handled by the department during the year (in compliance with Guidelines on Official Conduct of Commonwealth Public Servants);
- (k) information relating to the Freedom of Information Act, including information required under s.8 of the Act (covered by separate guidelines issued by the Attorney-General's Department);

- (l) information on any significant judicial decisions affecting the department or the users of the services provided by the department, and any consequent changes in departmental procedures;
 - (m) information regarding any reviews by the Auditor-General or parliamentary committees which directly affect the department, showing recommendations arising from such reviews and the action taken to address them;
 - (n) information concerning any major reviews of the objectives or structure of the department during the year, the outcome of the reviews and changes or proposed changes resulting from each review;
 - (o) where appropriate, information on the extent and main features of client complaints, indicating any services improved or changed as a result of complaints or suggestions made by clients;
 - (p) reference to other sources of information concerning the department, including publications, policy information and policy discussion papers, submissions to advisory bodies or inquiries, major Ministerial Statements printed in Hansard and major Ministerial or departmental news releases, with bibliographical details and addresses and phone numbers of information officers; and
 - (q) reference to the activities of smaller statutory bodies which are responsible to the Minister and do not produce reports of their own, and information (in line with the response by the Government to the Senate Standing Committee on Finance and Government Operations' Interim Report, or any relevant Government decision announced subsequently) on non-statutory bodies in the Minister's portfolio.
 - (r) information in relevant program reports on action taken to enhance the elements of social justice (equity, equality, access and participation) in those programs. (9(G) added 1989)
10. Reports of departments providing laboratory services should include information on facilities such as that contained in Volume 3 of the Report of the Committee of Inquiry into Commonwealth Laboratories (the Ross Report).
11. Reports of all departments should reflect the general thrust of the Government's package of administrative reforms and should show the impact of those reforms on departmental operations. Some aspects of the reforms are adequately treated above; the attachment to these guidelines is designed to indicate the bearing of other aspects on management issues likely to need coverage in annual reports.

ATTACHMENT

1. Management Issues

1. Where appropriate departments should include in their annual reports reference to:
 - (a) their approaches to financial and staff resource management;
 - (b) recent and planned developments, and initiatives instituted, in financial and staff resource management, and progress in implementing the aims and requirements of Program Budgeting (treated in the body of the Guidelines), Staff Budgeting and the Financial Management Improvement Program; here should be included such aspects as:
 - i) corporate planning structures and resource management strategies;
 - ii) the impact of consolidation of appropriations and cash limits;
 - iii) developments in management information systems;
 - iv) the extent of delegations granted and functions devolved to managers and others;
 - v) management of staff resources (i.e. comparative data on recruitment, retention rates, exit rates and mode of separation - e.g. resignation, invalidity, retirement);
 - vi) the relationship between organisational structure and program structure (with specific reference to the allocation of responsibilities between program and functional managers);
 - vii) cash management reviews; and
 - viii) developments in financial/staff resource management training;
 - (c) performance measures used, or being developed, in evaluating financial and staff resource management;
 - (d) performance-monitoring activities undertaken by internal units and external agencies;
 - (e) progress made during the financial year in achieving economies;

- (f) work undertaken on behalf of departments by other agencies, and vice versa;
- (h) procedures for the collection of revenues and the incurring of forward obligations; and
- (i) details of breaches of approved forward obligation limits and any other breaches of the Audit Act 1901 or the Finance Regulations or Directions.

B. Financial Statements

1. Financial statements should be in accordance with the guidelines determined by the Minister for Finance pursuant to a proposed revised section 50 of the Audit Act 1901. Until section 50 provides for such a determination and until such guidelines come into effect, financial statements should include, as a minimum:
 - (a) details of receipts and payments (departments on program budgeting should report this information on a program basis) and explanations of significant variations from budget figures;
 - (b) details of free services provided by other agencies and (where practicable) an estimate of the value of each service;
 - (c) details of individual Trust Account operations under sections 60 and 62A of the Audit Act 1901, including cash and investment balances; and
 - (d) details of accounts payment performance.
2. The following information should also be provided in financial statements, where practicable:
 - (a) summary information regarding debtors, creditors and prepayments; and
 - (b) a schedule of outstanding forward obligations.
3. The information listed in (2) above will be required in reports for 1988-89 and subsequent years. In earlier reports, where such information cannot be provided, there shall be a statement by the departmental Secretary indicating why it cannot be provided and what steps are being taken so that the department will be able to provide it in future.
4. In 1988-89 and subsequent years departments' financial statements, shall also be required to include schedules of major capital assets operated (by class), their value and the date and method of valuation.

5. Financial statements should be accompanied by an explanation of significant changes from one year to the next and must be consistent with other published financial data and include current year actuals and, where applicable, budget estimates and actuals for the previous year.
6. Where a department undertakes operations of a commercial or quasi-commercial nature in respect of which the Minister for Finance has determined, pursuant to section 41D of the Audit Act 1901, the form in which it shall prepare financial statements for those operations, the departmental annual report should:
 - (a) incorporate audited financial statements in the form determined;
 - (b) provide information as to the operational performance of those undertakings (e.g. the operating surplus as a proportion of total assets employed, trends in turnover, etc.) including, where practicable, non-financial performance measures; and
 - (c) list any section 41D statements not yet finalised and/or audited, which will need to be tabled separately by the Minister.
7. The financial statement referred to in paragraph B.6 must comply with the Guidelines for the Form and Standard of Financial Statements of Commonwealth Undertakings, issued by the Department of Finance.
8. Until section 50 of the Audit Act is amended to require audit and certification of departments' financial statements, the Auditor-General shall have discretion to decide whether or when to audit these statements. After section 50 has been amended, interim statements prepared in accordance with paragraph 8 of these guidelines should not include financial statements for which audit certificates have not yet been obtained.
- C. Staffing Information
 1. Departmental annual reports should provide an overview of the staffing levels and characteristics of the department, with statistics in a sufficiently standardised form to permit comparisons with Service-wide statistical information published by the Department of Finance.
 2. The kinds of staffing information in reports should include information on the classifications and locations of staff, with indications of how many staff are employed full-time/part-time and how many are employed under the Public Service Act 1922/other Acts. Statistics on temporary staff should be included and the numbers of men and women in

the department and in various categories of staff should be shown. In relation to Senior Executive Service staff, there should be information regarding level, sex, gains/losses and participation in staff development activities.

3. Details should be given of the extent to which external consultants are used by the department, including (where practicable) the names of the consultants, the projects involved, the cost to the department and the justification for their use.
4. Other kinds of staffing information, reflecting the nature of particular departments and their work, should also be included in annual reports as appropriate.

SUBMISSIONS RECEIVED

Submission Number	Name	Dated
1	Mr Rasjad Moore	10.09.89
2	Mr John Pomeroy	18.09.89
3	Mr John H Black	22.09.89
4	Richard Griffiths Canberra Manager Political Reference Service Group	20.09.89
5	Senator Brian Archer	21.09.89
6	John L Scott, MP	25.09.89
7	Ms Mary Doolan	04.10.89
8	Department of the Senate	06.10.89
9	F W Bradley Acting Secretary Joint House Department	09.10.89
10	Mr Ron Brown Secretary Department of Immigration, Local Government and Ethnic Affairs	06.10.89
11	Mr Kevin O'Connor Privacy Commissioner Human Rights Commission	10.10.89
12	R L Wettenhall College Fellow in Administrative Studies School of Management Canberra College of Advanced Education	06.10.89
13	Mr L Woodward Secretary Department of Veterans' Affairs	11.10.89

14	Senator The Hon K Sibraa President of the Senate	06.10.89
15	Mr W Gray Secretary Department of Aboriginal Affairs	16.10.89
16	Dr Judy Lambert National Liaison Officer The Wilderness Society	16.10.89
17	G M Williams Acting Deputy Auditor-General Australian Audit Office	22.09.89
18	Ms Gail Radford Principal Adviser EEO Public Service Commission	03.10.89
19	J S Abraham President Australian Society of Accountants	24.10.89
20	Mr Graham Evans Secretary Department of Transport and Communications	23.10.89
21	Mr D Volker Secretary Department of Social Security	30.10.89
22	Mr M D Lightowler Acting Secretary Department of Foreign Affairs and Trade	24.10.89
23	Mr Ron Brown Secretary Department of Immigration, Local Government and Ethnic Affairs	26.10.89
24	Mr A S Blunn Secretary Department of the Arts, Sport, the Environment, Tourism and Territories	26.10.89
25	Mr D Volker Secretary Department of Social Security	25.10.89

26	Mr Partick Hunt A/g Executive Director Corporate Development Department of Primary Industries and Energy	24.10.89
27	Mr L B Woodward Secretary Department of Veterans' Affairs	23.10.89
28	Mr Mike Cramsie Senior Assistant Secretary Executive Branch Attorney-General's Department	01.11.89
29	Mr J D Enfield Public Service Commissioner Public Service Commission	30.10.89
30	Mr A J Ayers Secretary Department of Defence	27.10.89
31	Mr Colin McAlister Acting Secretary Department of Administrative Services	02.11.89
32	Mr A D Rose Secretary Attorney-General's Department	03.11.89
33	(J S Abraham and P E Middleton) Australian Accounting Research Foundation	30.10.89
34	Mr Malcom Duce, MA, FCA, AASA CPA	09.11.89
35	Colin McAlister Deputy Secretary Department of Administrative Services	17.11.89
36	Dr D T Charles Secretary Department of Industry, Technology and Commerce	17.11.89

37	Peter Grant Principal Adviser Policy Secretariat Department of Employment, Education and Training	16.11.89
38	N W F Fisher and Dr Claire Clark Royal Australian Institute of Public Administration	20.11.89
39	Mr M J Roche Deputy Secretary Department of Community Services and Health	15.11.89