



**Australian Government**

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**Department of the Prime Minister and Cabinet**

**REQUIREMENTS FOR ANNUAL REPORTS**  
FOR DEPARTMENTS, EXECUTIVE AGENCIES AND OTHER NON-CORPORATE  
COMMONWEALTH ENTITIES

Approved by the Joint Committee of Public Accounts and Audit  
under subsections 63(2) and 70(2) of the  
*Public Service Act 1999*

Department of the Prime Minister and Cabinet  
25 June 2015

[www.dpmc.gov.au/node/6392](http://www.dpmc.gov.au/node/6392)

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## **Significant Amendments to the Requirements for Annual Reports for the 2014-15 period**

The Requirements for Annual Reports are reviewed annually to take account of changes to reporting requirements prescribed in legislation, arising from new policy, or recommendations in Parliamentary, Australian National Audit Office or other reports.

A marked up version of the Requirements is available on the website of the Department of the Prime Minister and Cabinet. Changes from the 2013-14 Requirements are highlighted in that document.

Significant amendments in the Requirements for Annual Reports for the 2014-15 period relate to:

- **Small Business Procurement** – Three requirements have been added to reflect the Government’s commitment to improve small business access to Commonwealth contracts.
- **Indigenous Employment** – reporting on ‘Indigenous Employment’ has been added to the existing requirement to report on the Management of Human Resources.

### **Future changes to the Requirements**

These Requirements apply to reporting for the 2014-15 financial year. Significant revisions to the Requirements are anticipated for the 2015-16 financial year with the commencement of the performance reporting model under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

## **Part 1 – Preliminary**

### **1 Authority for Requirements**

- (1) These annual report requirements are prepared pursuant to subsections 63(2) and 70(2) of the *Public Service Act 1999* and were approved by the Joint Committee of Public Accounts and Audit on 25 June 2015 .

### **2 Commencement and Reporting Period**

- (1) The requirements apply to annual reports for the financial year ending on 30 June 2015.

### **3 Application**

- (1) The requirements apply to annual reports for departments of state pursuant to subsection 63(2) and for Executive Agencies pursuant to subsection 70(2) of the *Public Service Act 1999*. As a matter of policy, they also apply to other non-corporate Commonwealth entities, as defined in section 11 of the PGPA Act.
- (2) These requirements do not apply to corporate Commonwealth entities (previously known as Commonwealth authorities and companies under the *Commonwealth Authorities and Companies Act 1997*). In respect of those entities, sections 7AB and 7AC of the Public Governance Performance and Accountability (Consequential and Transitional Provisions) Rule continues the application of the Commonwealth Authorities (Annual Reporting) Orders 2011 and the Commonwealth Companies (Annual Reporting) Orders 2011 to annual reports for those entities for the 2014-15 reporting period.
- (3) In most cases the term ‘department’ is used in these requirements to refer to all departments, agencies and entities that will be preparing annual reports under these requirements. Similarly, ‘secretary’ is used to refer to a departmental secretary or to the head of one of those other bodies.
- (4) In the case of any other Commonwealth entity that may not be covered by the above application principles, these requirements may be used to the extent that they are consistent with any reporting requirements contained in the entity’s own legislation (if any).

- (5) In cases of machinery of Government change during the reporting period, where functions or offices are gained or lost, the established practice is that:
  - (a) for annual reports, the gaining entity report on that function or office for the entirety of the reporting period, whether or not the losing department continues to exist;
  - (b) for financial statements, the accountable authority signs off on the financial statements relating to the period of their responsibility and include these statements in their annual report. Where the losing entity does not produce an annual report that covers the period it had the functions or offices, the gaining entity will include the financial statements in its annual report.
- (6) In the case of any doubt, the Finance Minister may nominate the entity responsible for preparing the annual report of the old entity. Further details can be found in rule 17A of the Public Governance Performance and Accountability Rule 2014.

#### **4 Timetable**

- (1) To ensure compliance with the PGPA Act,<sup>1</sup> annual reports must be provided to the responsible Minister by the 15<sup>th</sup> day of the fourth month after the end of the reporting period. The responsible Minister must, in turn, present the report to each House of the Parliament on or before 31 October in the year in which the report is given.<sup>2</sup> If Senate Supplementary Budget Estimates hearings are scheduled to occur prior to 31 October, it is best practice for annual reports to be tabled prior to those hearings.
- (2) The provisions of subsections 34C(4) - (7) of the *Acts Interpretation Act 1901* apply in relation to an application for extension of the period.
- (3) An extension under the *Acts Interpretation Act 1901* would need be sought only should a specified timeframe not be met. However, it remains the Government's policy that all annual reports should be tabled by 31 October.

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<sup>1</sup> Section 46 of the PGPA Act provides for annual reports of Commonwealth entities.

<sup>2</sup> Guidance on the tabling requirements for annual reports is contained in the document prepared by the Department of the Prime Minister and Cabinet entitled 'Guidelines for the Presentation of Documents to the Parliament (including Government Documents, Government Responses to Committee Reports, Ministerial Statements, Annual Reports and Other Instruments)' available at [www.dpmc.gov.au/pmc/publication/guidelines-presentation-documents-parliament](http://www.dpmc.gov.au/pmc/publication/guidelines-presentation-documents-parliament)

## Part 2 - Introduction

### 5 Purpose of Annual Reports

- (1) The primary purpose of annual reports of departments is accountability, in particular to the Parliament.
- (2) Annual reports serve to inform the Parliament (through the responsible Minister), other stakeholders, educational and research institutions, the media and the general public about the performance of departments in relation to services provided. Annual reports are a key reference document and a document for internal management. They form part of the historical record.

### 6 Annual Reports and Accountability

- (1) Annual reports and Portfolio Budget Statements<sup>3</sup> (PB Statements) are the principal formal accountability mechanisms between Government and departments and from departments through (or on behalf of) Government to the Parliament. Annual reports are reports from departmental secretaries to the portfolio Minister, for tabling in the Parliament. PB Statements are authorised by Ministers for use by the Parliament in the consideration of the Budget.
- (2) PB Statements set out the proposed allocation of resources to achieve Government outcomes. They set out performance information targets for departmental and administered programmes. Annual reports report on the achievement of those targets. PB Statements and annual reports provide the Government and the Parliament with detailed information about the actual performance of departments and forecasts of future needs and expectations. The ‘clear read’ between PB Statements and annual reports is an essential part of the accountability system that compares budgeted targets and figures to those actually achieved, and places a strong emphasis on compatibility between the two documents regarding budget and **performance information**.<sup>4</sup>
- (3) The annual report requirements aim to provide a clear and concise framework for departmental annual reports which is consistent with enhancing the standard of annual reporting in the Commonwealth. They are periodically reviewed and updated to this end.

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<sup>3</sup> There are also Portfolio Additional Estimates Statements (PAES) and portfolio statements accompanying any other additional appropriation bills.

<sup>4</sup> An explanation of key terms can be found at [Attachment A](#). Terms included are identified by bold type when they are first used in these requirements.

- (4) Annual reports co-exist with other annual whole-of-Government reporting. While whole-of-Government reports will traverse similar themes to those contained in annual reports, of necessity, they present an aggregated view of the performance of the Australian Public Service as a whole. They should be seen as complementary to the more detailed departmental annual reports, which are important in the accountability of a secretary for the use of his or her employment and other powers. Bearing in mind the differing purposes of the types of reporting, duplication should be minimal.
- (5) Annual reports also co-exist with the availability of information through the Internet. Reporting and analysis in an annual report as a document of record, is complementary to the ongoing availability of information through the Internet.

## **7 Principles Underlying Annual Report Requirements**

The content of annual reports should:

- (1) be consistent with the purposes of annual reports – in particular, annual reports should be written in plain English and provide sufficient information and analysis for the Parliament to make a fully informed judgement on departmental performance;
- (2) align with the overall accountability framework;
- (3) reflect the harmonisation, as far as practicable, of reporting regimes within Government (including PB Statements, Portfolio Additional Estimates (PAES) and portfolio statements accompanying any other additional appropriation bills (other portfolio statements)) and between the Government and non-Government sectors; and
- (4) merit reporting – the relative benefits and costs of reporting should be considered.



## Part 3 – Annual Report Requirements

### 8 Specific Requirements

(1) A core set of information is required in annual reports to ensure that accountability requirements are met and to provide consistency for readers. The annual report must include the following items:

- (a) review by departmental secretary;
- (b) departmental overview;
- (c) report on performance;
- (d) management and accountability;
- (e) financial statements; and
- (f) other mandatory information.

(2) Required standards for these items are set out below.

(3) The annual report must also include a letter of transmittal and aids to access, as set out in Attachment A.

(4) Departments vary in role and size and secretaries have discretion as to the extent of information to include in annual reports and the sequence in which it is presented as long as the minimum amounts of information set out in these requirements are met. In this regard, note the requirements specified in the Aids to Access section in Attachment A.

(5) Whether or not particular information should be reported should be decided, in the absence of any contrary direction in these requirements, having regard to the principles identified in section 7 above.

### 9 Review by Departmental Secretary

(1) The annual report must include a review by the departmental secretary.

(2) The review may include a summary of the significant issues and developments during the year, an overview of the department's performance and **financial results**, and the outlook for the following year.

(3) For a portfolio department, the review may include a summary of the significant issues and developments for the portfolio.

Suggested

Suggested  
for portfolio  
departments

**10 Departmental Overview**

(1) The annual report must provide a description of the department, including:

- (a) role and functions;<sup>5</sup>
- (b) organisational structure; and
- (c) **outcome and programme** structure.<sup>6</sup>

Mandatory

(2) The outcome and programme structure must be consistent or reconcilable with information in the PB Statements, PAES or other portfolio statements relating to the department for the year covered by the annual report. Where a department is reporting using a structure different to the PB Statements, the report must detail the variations and explain the reasons for the change.

(3) The annual report of a portfolio department must include an outline of the structure of the portfolio.

**11 Report on Performance<sup>7</sup>**

(1) The annual report must include a review of how the agency has performed during the year in relation to the deliverables and Key Performance Indicators (KPIs) of the agency's programmes and, where possible, indicate the agency's effectiveness in achieving the planned outcomes. Descriptions of processes and activities should be avoided. Rather, reporting should be aimed at providing an assessment of how the agency has progressed the achievement of its stated outcomes.

(2) The review must include:

- (a) reporting of actual results for all deliverables and KPIs for departmental and administered programmes as set out in the PB Statements/PAES or other portfolio statements, including sub-programme or programme component level performance information if reported in the portfolio statements;<sup>8</sup>
- (b) where performance information has changed during the year, details of both the former and the new performance information must be provided, including explanation of any changes and whether the former KPI was achieved; and

<sup>5</sup> Terminology may vary but the report should include statements of vision, purpose, mission and objectives where these exist, as well as principal functions or services performed.

<sup>6</sup> All General Government Sector agencies are required to report in accordance with the Outcomes and Programmes Framework, which commenced in 2009-10.

<sup>7</sup> Performance information is used in a generic sense to refer to performance measures, indicators and targets.

<sup>8</sup> Even if not reported in previously published portfolio statements, an agency may determine that information should be reported, having regard to considerations including materiality, parliamentary and public interest or reader expectations. A tabular presentation of information, in landscape format, should be used wherever possible, especially if there are quantitative deliverables and/or KPIs.

- (c) a statement noting if the department has historically met each KPI.<sup>9</sup> For those KPIs that have not been achieved, a brief explanation is to be included.

Suggested

- (3) The performance information required by subsection 11(2) may include:
  - (a) the results of any evaluations, where appropriate;
  - (b) reference to any significant change in the nature of the department's principal functions or services that occurred during the year and that impacted on performance;
  - (c) if the department delivers outcomes through **purchaser/provider arrangements**, a report on the performance of those arrangements;
  - (d) reference to factors, events or trends influencing the department's performance and the achievement of outcomes over the year and in the future; and
  - (e) reference to the contribution of risk management in achieving the department's objectives by identifying areas of significant financial or operational risk and outlining the arrangements in place to manage these risks.

Mandatory,  
if applicable

- (4) For departments which are required to have **service charters** in place, reference to performance against the service charter customer service standards, complaints data, trend analysis, and the department's general response to complaints must also be included.<sup>10</sup>

Mandatory

- (5) Discussion and analysis of the department's financial performance for the year.

Mandatory

- (6) Agencies must include an overview discussion of any significant changes in financial results from the previous reported financial year, within the reported financial year (including changes since the corresponding PB Statements/PAES) and from the end of the reported financial year, including in relation to:

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<sup>9</sup> Each department is to determine the appropriate timeframe for providing historical trends, however it is suggested that performance of KPIs over three years be provided, unless the KPI did not exist for some or all of that time or has changed during that time. For those KPIs that have changed, a brief explanation of the modification is required. Reporting on the historic trends of KPIs will provide Parliament with information on the achievement of planned outcomes across multiple years.

<sup>10</sup> In departments that are required to have service charters in place, or that have functions that may impact on social justice and equity in the community, outcome and programme performance information is expected to encompass service charter requirements and social justice impacts as relevant. Narrative discussion and analysis (under section 11 of these requirements) can be cross-referenced to the relevant performance information.

- (a) the cause/s of an operating loss and its implications, including how an agency has responded and the follow-up actions that have occurred;<sup>11</sup> and
- (b) any matter or circumstance, if it can reasonably be anticipated to have a significant impact on the agency's future **operations** or financial results.
- (7) A summary table showing the total resources for the agency in comparison to the total payments made during the year, in addition to a series of summary tables showing the total resources for each outcome. A suggested format for each table, which is consistent with the corresponding table in the PB Statements, is set out in Attachment E. It is suggested that the tables be included in an appendix to the report.

## 12 Management and Accountability

### Corporate Governance

Mandatory

- (1) The annual report must include information on the department's compliance with section 10 of the Public Governance, Performance and Accountability Rule 2014,<sup>12</sup> and as such secretaries must certify in their annual reports that:
- (a) their department has prepared fraud risk assessments and fraud control plans;
- (b) their department has in place appropriate fraud prevention, detection, investigation, reporting mechanisms that meet the specific needs of the agency; and
- (c) they have taken all reasonable measures to appropriately deal with fraud relating to the department .

Departments may wish to include this certification in the letter of transmittal from the secretary.

Mandatory

- (2) The annual report must include a statement of the structures and processes that the department had in place during the year to implement the principles and objectives of **corporate governance**.<sup>13</sup>

Suggested

- (3) It is suggested that this include:
- (a) the names of the senior executive and their responsibilities;<sup>14</sup>

<sup>11</sup> Budgeted operating losses need to be formally approved by the Finance Minister. For further information please refer to the relevant Estimates Memorandum in the Knowledge Management Section of the Central Budget Management System.

<sup>12</sup> Further information can be found at [www.ag.gov.au/fraud](http://www.ag.gov.au/fraud).

<sup>13</sup> Australian Stock Exchange (ASX) listing rule 4.10.3 has been used as a guide. The ASX also publishes an indicative list for reporting purposes. Corporate governance items (d), (e) and (f) derive from this list.

<sup>14</sup> The responsibilities of the senior executive should be able to be reconciled with the department's organisational and outcome/programme structures as set out under 'Departmental Overview'. Departments may choose to locate this information in the 'Departmental Overview' section.

- (b) senior management committees and their roles;
- (c) corporate and operational plans and associated performance reporting and review, including contribution to specified outcomes;<sup>15</sup>
- (d) internal audit arrangements including the approach adopted to identifying areas of significant operational or financial risk, and arrangements in place to manage those risks;
- (e) the department's policy and practices on the establishment and maintenance of appropriate ethical standards;<sup>16</sup> and
- (f) how the nature and amount of remuneration for senior executive service employees is determined.<sup>17</sup>

### External Scrutiny

Mandatory

- (4) The annual report must provide information on the most significant developments in external scrutiny of the department and the department's response, including particulars of:
  - (a) judicial decisions, decisions of administrative tribunals, and decisions by the Australian Information Commissioner, that have had, or may have, a significant impact on the operations of the department; and
  - (b) reports on the operations of the department, including by the Auditor-General (other than the report on financial statements), a Parliamentary committee, the Commonwealth Ombudsman, or agency capability reviews (once released).

### Management of Human Resources

Mandatory

- (5) The annual report must include an assessment of the department's effectiveness in managing and developing its staff to achieve its objectives. The focus is on the human resource capability at year end.

Suggested

- (6) It is suggested that this may include:
  - (a) workforce planning and staff retention and turnover;
  - (b) the main features of enterprise or collective agreements, and individual flexibility arrangements (IFAs), determinations made under subsection 24(1) of the *Public Service Act 1999*

<sup>15</sup> Terminology in relation to departmental plans may vary – it may, for example, involve strategic and business plans. The intent is to address longer term and annual plans.

<sup>16</sup> The requirement in relation to APS Values and the Code of Conduct applies to departments and executive agencies, and prescribed agencies staffed under the *Public Service Act 1999*. Under section 44 of the *Public Service Act 1999*, the Public Service Commissioner reports annually on these issues in the State of the Service report.

<sup>17</sup> Financial reporting requirements prescribed by the Minister for Finance require agencies to disclose in their financial statements financial information in relation to senior executive remuneration (on both a cash and accruals basis) and the number of substantive senior executives by prescribed bands (see Division 23 of the Finance Minister's Orders).

(Subsection 24(1) Determinations), Common Law Contracts (CLCs), any remaining Australian Workplace Agreements (AWAs) and developments regarding agreement making and the impact of making agreements;<sup>18</sup>

- (c) the department's key training and development strategies, the outcomes of training and development, and evaluation of effectiveness;
- (d) the department's work health and safety performance;<sup>19</sup> and
- (e) productivity gains.

**Mandatory**

(7) The discussion must be supported by broad categories of statistics, for example, on the number of **APS employees**<sup>20</sup> (including **ongoing** and **non-ongoing**) as at 30 June for the current and preceding year, by:

- (a) each classification level;<sup>21</sup>
- (b) full-time/part-time status;
- (c) gender; and
- (d) location.

**Mandatory**

(8) The annual report must also include information on the number of ongoing and non-ongoing employees as at 30 June, for the current and preceding year who identify as Indigenous.<sup>22</sup>

**Mandatory**

(9) The annual report must include information on any enterprise or collective agreements, IFAs, Subsection 24(1) Determinations, CLCs and AWAs including:

- (a) the number of APS employees covered by enterprise or collective agreements, IFAs, Subsection 24(1) Determinations, CLCs and AWAs by SES and non-SES;
- (b) the salary ranges available for APS employees by classification level (the range should reflect the full span of salaries available under an enterprise or collective agreement, IFA, Subsection 24(1) Determination, CLC and/or AWA); and

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18 Agencies should take care to ensure that any information provided on individual terms and conditions arrangements does not, or cannot be used to, identify individual employees.

19 Specific information is also required pursuant to the *Work Health and Safety Act 2011 – Attachment C* refers.

20 This terminology applies to departments and executive agencies, and to prescribed agencies staffed under the *Public Service Act 1999*.

21 Where departments have adopted broadbands these may be used as the basis of the categories instead of APS classification levels.

22 As a part of its response to the Forrest Review, *Creating Parity*, the Australian Government announced a new Indigenous employment target across the Commonwealth public sector. Departments are required to report on their rates of Indigenous employment in their annual reports for 2014-15 and annually thereafter.

- (c) a description of the range of non-salary benefits provided by the agency to employees.

Note: For those agencies subject to a Determination made under subsection 24(3) of the *Public Service Act 1999*, a discussion of the effect of that Determination would be appropriate. This should include the number of employees covered by that Determination, any supplementary arrangements entered into via Subsection 24(1) Determinations or CLCs as above, and progress towards replacement of the Determination with an enterprise or collective agreement.

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- (10) The annual report must include information on performance pay including:<sup>23</sup>

- (a) the number of APS employees at each classification level who received performance pay;<sup>24</sup>
- (b) the aggregated amount of such performance payments at each classification level;
- (c) the average bonus payment and the range of such payments at each classification level; and
- (d) the aggregate bonus payment for the agency as a whole.

Note: Detailed guidance on how to compile information on performance pay is contained in Attachment B.

**Assets management**

- (11) Where assets management (including assets of which the day-to-day management has been outsourced) is a significant aspect of the strategic business of the department, an assessment of the effectiveness of assets management is required.<sup>25</sup>
- (12) Departments may wish to include a discussion of their asset management plans, particularly if a significant portion of its asset base has a life of 50 years or greater.

**Mandatory,  
if applicable**

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<sup>23</sup> Departments that do not pay, or no longer pay, performance pay should include a statement to that effect in their annual report.

<sup>24</sup> In the case of a small agency, or a small number of employees at a given classification level (e.g. five employees or less), a lesser disaggregation will be necessary to ensure that individuals cannot be identified.

<sup>25</sup> Departments may find it useful to refer to the JCPAA's Report 363, 'Asset Management by Commonwealth Agencies' or the 'Better Practice Guide on the Strategic and Operational Management of Assets by Public Sector Entities' published in September 2010 and available at [www.anao.gov.au/bpg\\_assets2010/HTML/index.html](http://www.anao.gov.au/bpg_assets2010/HTML/index.html).

**Purchasing**

- (13) The annual report must include an assessment of the department's performance against core purchasing policies and principles as articulated in the Commonwealth Procurement Rules.<sup>26</sup>

**Consultants**

- (14) Many individuals, partnerships and corporations provide services to agencies under contracts for services. However, not all such contractors should be categorised as consultants for the purposes of annual reporting. Consultants are distinguished from other contractors by the nature of the work they perform.
- (15) For reporting purposes, officials need to be able to distinguish consultancies from 'non-consultancy' contracts and employment contracts. Briefly, however, a consultant is an individual, a partnership or a corporation engaged to provide professional, independent and expert advice or services.
- (16) The Department of Finance has developed guidance to assist agencies in identifying whether a contract is a consultancy for reporting purposes. The guidance is available at:  
[www.finance.gov.au/procurement/procurement-policy-and-guidance/buying/reporting-requirements/consultancies-reporting/principles.html](http://www.finance.gov.au/procurement/procurement-policy-and-guidance/buying/reporting-requirements/consultancies-reporting/principles.html).
- (17) The annual report must include a summary statement detailing:
- (a) the number of new consultancy services contracts let during the year;<sup>27</sup>
  - (b) the total actual expenditure on all new consultancy contracts let during the year (inclusive of GST);<sup>28</sup>
  - (c) the number of ongoing consultancy contracts that were active in the reporting year; and
  - (d) the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST).
- (18) To ensure consistency in agencies' reports, agencies must include a statement along the following lines in the annual report:

During 2014-15, XX new consultancy contracts were entered into involving total actual expenditure of \$A million. In addition, YY ongoing consultancy contracts were active during the 2014-15 year, involving total actual expenditure of \$B million.

<sup>26</sup> The Commonwealth Procurement Rules produced by the Department of Finance can be found at [www.finance.gov.au/procurement/procurement-policy-and-guidance/commonwealth-procurement-rules/](http://www.finance.gov.au/procurement/procurement-policy-and-guidance/commonwealth-procurement-rules/).

<sup>27</sup> Agencies should be mindful that this requirement includes consultancies valued below \$10,000 and as such, these contracts will not be listed on AusTender.

<sup>28</sup> As per footnote above.



- (19) Consistent with the policy of including trend data in annual reports, agencies could also include a table showing expenditure on consultancy contracts over the three most recent financial years.

Care needs to be taken to ensure that expenditure on consultancies in previous years is not included in the annual report for subsequent years. By way of example, if a consultancy contract is let on 1 May 2015, and the contract expires on 30 September 2015 and expenditure under the contract is \$10,000 per month, the annual report for the 2014-15 financial year should record one consultancy contract (for paragraph 16(a) above) and \$20,000 expenditure (for paragraph 16(b) above) in relation to that contract. The annual report for the next financial year (2015-16 financial year) would then record that consultancy contract as one ongoing consultancy contract (for paragraph 16(c) above) and \$30,000 expenditure (for paragraph 16(d) above). The ongoing consultancy contract should not be included again in the number of consultancy contracts let during the 2015-16 financial year.

- (20) In addition to the summary information in the body of the report (section 12(16) of the requirements refers) on the number of consultancy services contracts let during the year and the total expenditure on consultancy services, departments must provide in the body of the report or in an appendix to the report a summary of the department's policy on the selection and engagement of consultants, its selection procedures, and the main categories of purposes for which consultants were engaged.<sup>29</sup>
- (21) Departments, executive agencies and other non-corporate Commonwealth entities are currently required to report on AusTender procurement contracts awarded where contract value is \$10,000 or more. For all procurement contracts reported on AusTender, these agencies are required to indicate whether the contract is a consultancy and the reason for the consultancy.
- (22) In accordance with recommendation 9 of the Senate Finance and Public Administration Committee's report 'Departmental and agency contracts: Second report on the operation of the Senate order for the production of lists of departmental and agency contracts (2003-06)', departments should include a note in their annual reports referring readers to the AusTender site for information on contracts and consultancies. The Committee's report is available at

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<sup>29</sup> Typical reasons for engaging consultancy services include a requirement for specialist expertise not available within the department or where an independent assessment is considered desirable. The selection process may involve, for example, open tender, selective tender, direct sourcing, or a panel of: a recognised and pre-eminent expert, a consultant who had previously undertaken closely related work for the department, or a consultant known to have the requisite skills where the value of the project did not justify the expense or delay associated with seeking tenders. Detailed guidance is available on the Department of Finance's website at [www.finance.gov.au/procurement/procurement-policy-and-guidance/buying/reporting-requirements/consultancies-reporting/principles.html](http://www.finance.gov.au/procurement/procurement-policy-and-guidance/buying/reporting-requirements/consultancies-reporting/principles.html).

[www.aph.gov.au/Parliamentary Business/Committees/Senate/Finance and Public Administration/order on contracts/report2/index](http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Finance_and_Public_Administration/order_on_contracts/report2/index).

- (23) To comply with the recommendation, all agencies must include the following statement in the body of the annual report:

Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website [www.tenders.gov.au](http://www.tenders.gov.au).

#### Australian National Audit Office Access Clauses

- (24) Departments must provide details of any contract let during the reporting period of \$100,000 or more (inclusive of GST) that does not provide for the Auditor-General to have access to the contractor's premises. The annual report must include the name of the contractor; the purpose and value of the contract; and the reason why standard access clauses were not included in the contract.

#### Exempt Contracts

- (25) If any contract in excess of \$10,000 (inclusive of GST) or a standing offer has been exempted by the Chief Executive from being published in AusTender on the basis that it would disclose exempt matters under the *Freedom of Information Act 1982*, the fact that the contract has been exempted and the value of the contract or standing offer must be reported to the extent that doing so does not in itself disclose the exempt matters.

Mandatory

#### Procurement Initiatives to Support Small Business

- (26) Departments must include a statement in their annual report that refers readers to the statistics on Small and Medium Enterprise (SMEs) participation on the Department of Finance's website. To ensure consistency, departments must include a statement along the following lines:

*The department supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website:*

[www.finance.gov.au/procurement/statistics-on-commonwealth-purchasing-contracts/](http://www.finance.gov.au/procurement/statistics-on-commonwealth-purchasing-contracts/)

- (27) Departments that are considered "material" in nature, as characterised by the Department of Finance, must include a statement in their annual reports referring readers to the on-time payment performance results on the Treasury's website. To ensure consistency, departments must include a statement along the following lines:

The department recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website: [www.treasury.gov.au/](http://www.treasury.gov.au/)

- (28) Departments must also include in their annual reports a brief statement on the ways in which their procurement practices support SMEs, which is consistent with paragraph 5.4 of the Commonwealth Procurement Rules. This statement may include some of the following initiatives or practices:
- a. the Commonwealth Contracting Suite for low-risk procurements valued under \$200,000;
  - b. Australian Industry Participation Plans in whole-of-government procurement where applicable;
  - c. the Small Business Engagement Principles (outlined in the Government's Industry Innovation and Competitiveness Agenda), such as communicating in clear, simple language and presenting information in an accessible format; and
  - d. electronic systems or other processes used to facilitate on-time payment performance, including the use of payment cards.

**13 Financial Statements**

- (1) A copy of the annual financial statements and the Auditor-General's report must be included in each department's annual report tabled in the Parliament. The annual report must include audited financial statements prepared in accordance with the PGPA (Financial Reporting) Rule 2015

**14 Other Mandatory Information**

- (1) The annual report must include in an appendix or appendices any matters required to be included in the annual report of the department by legislation. There are currently specific legislative requirements in relation to:
- (a) work health and safety (Schedule 2, Part 4 of the *Work Health and Safety Act 2011*);
  - (b) advertising and market research (section 311A of the *Commonwealth Electoral Act 1918*). In addition to this statutory reporting requirement, agencies must include a statement on advertising campaigns, as set out in Attachment C; and
  - (c) in the case of the following agencies, ecologically sustainable development and environmental performance reporting (section 516A of the *Environment Protection and Biodiversity Conservation Act 1999*), as set out in Attachment C:

- Commonwealth entities within the meaning of the PGPA Act;
  - Commonwealth companies within the meaning of the PGPA Act; and
  - any other Commonwealth agency that is established by or under a law of the Commonwealth and is required by law to give an annual report to the responsible Minister.
- (d) in the case of a ‘public service care agency’, compliance with the agency’s obligations under the *Carer Recognition Act 2010*. A public service care agency is defined in section 4 of the *Carer Recognition Act 2010* to mean an agency as defined in the *Public Service Act 1999* that is responsible for the development, implementation, provision or evaluation of policies, programmes or services directed to carers or the persons for whom they care. For further information about the obligations on agencies under the *Carer Recognition Act 2010*, see the *Carer Recognition Act Guidelines* on the Department of Social Services website at [www.dss.gov.au](http://www.dss.gov.au). Questions about the application of these requirements to individual departments and agencies should be directed to CarerSupport@dss.gov.au .
- (2) Annual reports must also include information on **grant** programmes. Details of these requirements are set out in Attachment D.
- (3) With the removal of the requirement for disability reporting in individual Commonwealth agency annual reports, an explicit and transparent reference must be made in each individual agency’s annual report to the other disability reporting mechanisms, specifically noting where agency level information can be found. Details of these requirements are set out in Attachment D.
- (4) With the commencement of the Information Publication Scheme (IPS) in 2011 and removal of the requirement for *Freedom of Information Act 1982* statements in individual Commonwealth agency annual reports, an explicit reference to where an agency’s IPS information can be found must be made in each agency’s annual report. Details of these requirements are set out in Attachment D.
- (5) If the previous annual report of a department contains any significant statement on a matter of fact, which has proved to be wrong in a material respect, the annual report must include information to correct the record.

Attachment A

## Production and Distribution Guidelines and Requirements

### 1 Commonwealth Printing Standards for Documents Tabled in Parliament

- (1) Guidance on the production standards for annual reports tabled in the Parliament are set out in the section entitled 'Advice to Government Agencies' available at:  
[www.aph.gov.au/Parliamentary\\_Business/Chamber\\_documents/Tabled\\_Papers/Advice\\_to\\_government\\_agencies](http://www.aph.gov.au/Parliamentary_Business/Chamber_documents/Tabled_Papers/Advice_to_government_agencies).

### 2 Publishing Online

- (1) Departments are required to publish a range of public accountability information online, including but not limited to annual reports. The Office of the Australian Information Commissioner provides further information at [www.oaic.gov.au/publications/guidelines.html](http://www.oaic.gov.au/publications/guidelines.html).
- (2) The Australian Government 'Web Guide', available at [www.webguide.gov.au](http://www.webguide.gov.au), provides information about the legal and policy obligations of agencies in relation to online publishing, including a range of mandatory requirements.

### 3 Distribution Arrangements

- (1) Information on the printing and distribution requirements for annual reports is contained in the 'Guidelines for the Presentation of Documents to the Parliament (including Government Documents, Government Responses to Committee Reports, Ministerial Statements, Annual Reports and Other Instruments)' (the Guidelines), available at [www.dpmpc.gov.au/pmpc/publication/guidelines-presentation-documents-parliament](http://www.dpmpc.gov.au/pmpc/publication/guidelines-presentation-documents-parliament). The Guidelines also provide guidance on the tabling requirements for annual reports.
- (2) Departments need to account for the relevant number of copies required for tabling when Parliament is sitting or for presentation when Parliament is not sitting, copies required for the Parliamentary Papers series, copies required for the combined Commonwealth Library Deposit and Free Issues Schemes, copies required for the department's own use, and copies required for sale and free issue. Departments should also ensure that copies are provided for the Senate and House of Representatives committee systems, which have the annual reports of departments and agencies within their portfolio areas referred to them.

### 4 Letter of Transmittal

- (1) The letter of transmittal to be signed by departmental secretaries should specify that the annual report has been prepared in accordance with section 63 of the *Public Service Act 1999* and any other legislation applicable to the preparation of the annual report by the department. The letter of transmittal to be signed by the Head of an

Executive Agency should specify that the annual report has been prepared in accordance with section 70 of the *Public Service Act 1999*.

- (2) The letter of transmittal should indicate that subsection 63(1) (or subsection 70(1) in the case of an Executive Agency) of the *Public Service Act 1999* requires that the Agency Head must give a report to the Agency Minister, for presentation to the Parliament.
- (3) The letter of transmittal to be signed by the heads of budget-funded agencies should specify any relevant legislation under which the annual report has been prepared (e.g. enabling legislation).
- (4) The letter of transmittal is to be dated on the day the signatory approves the final text of the report for printing.

## **5 Aids to Access**

- (1) The annual report must contain:
  - (a) a table of contents;
  - (b) an alphabetical index – covering the contents of any appendices as well as the contents of the main body of the report;
  - (c) a glossary to make clear the meanings of any abbreviations and acronyms used; and
  - (d) a list of requirements as set out in Attachment F.
- (2) The annual report must give details (e.g. title, telephone, facsimile, email address) of the contact officer(s) to whom enquiries are to be addressed for further information.
- (3) The annual report must include the address of the Internet homepage for the department, and the Internet address for the annual report (if available electronically).

## **6 Explanation of Terms**

- (1) The terms set out below which are first identified in the requirements by means of bold type, have the following meanings in these requirements (unless the contrary intention appears):
  - (a) **APS employee**: a person engaged under section 22, or a person who is engaged as an APS employee under section 72, of the *Public Service Act 1999*;
  - (b) **corporate governance**: the process by which agencies are directed and controlled. It is generally understood to encompass authority, accountability, stewardship, leadership, direction and control;
  - (c) **financial results**: the results shown in the financial statements of an agency;
  - (d) **grant**: Commonwealth financial assistance covered by the Commonwealth Grants Rules and Guidelines;

- (e) materiality: takes into account the planned outcome and the relative significance of the resources consumed in contributing to the achievement of that outcome;
- (f) non-ongoing APS employee: a person engaged as an APS employee under subsection 22(2)(b) or 22(2)(c) of the *Public Service Act 1999*;
- (g) ongoing APS employee: a person engaged as an ongoing APS employee under subsection 22(2)(a) of the *Public Service Act 1999*;
- (h) operations: functions, services and processes performed in pursuing the objectives or discharging the functions of an agency;
- (i) outcomes: the results, impacts or consequences of actions by the Commonwealth on the Australian community – these should be consistent with those listed in the agency's PBS/PAES;
- (j) performance information: evidence about performance that is collected and used systematically which may relate to appropriateness, effectiveness and efficiency and the extent to which an outcome can be attributed to an intervention – performance information may be quantitative (numerical) or qualitative (descriptive), however it should be verifiable;
- (k) programmes: an activity or group of activities that deliver benefits, services or transfer payments to individuals, industry/business or the community as a whole and are the primary vehicles for Government agencies to achieve the intended results of their outcome statements;
- (l) purchaser/provider arrangements: arrangements under which the services of one agency are purchased by another agency to contribute to outcomes – these arrangements can occur between Commonwealth agencies or between Commonwealth agencies and State/Territory Government or private sector bodies; and
- (m) service charters: it is Government policy that departments which provide services directly to the public have service charters in place. A service charter is a public statement about the service that a department will provide and what customers can expect from the department. In particular the service charter advises what the department does, how to contact and communicate with the department, the standard of service that customers can expect, and their basic rights and responsibilities, and how to provide feedback or make a complaint.

**Attachment B**

**Performance Pay - Additional Guidance on Reporting Requirements**

- (1) Each department's annual report must include information about performance pay, also known as performance-linked bonuses and usually taking the form of a one-off payment in recognition of performance.
- (2) In compiling the information about performance pay, departments should:
  - (a) include all eligible ongoing and non-ongoing APS staff;
  - (b) include staff who left the department during the financial year, even if the performance payment was made after their departure;
  - (c) include staff on leave of any kind at the end of the financial year;
  - (d) report the aggregate of actual payments, not payments before moderation;
  - (e) include each employee under one classification only. If an employee was promoted during the year and received performance pay at the lower classification only, include that employee in the report for the lower classification. If the promoted employee received performance pay at both classifications or at the higher level only, include the employee in the report for the higher level only and include the total payment in the aggregated payment report for that classification. Do not include the same employee in both classifications and do not break up the payment when aggregating the total payments for the various classifications;
  - (f) not include performance-linked advancement (advancement to a higher pay point which then becomes the employee's nominal salary). If an employee receives a performance bonus and a performance-linked advancement, only the bonus element should be reported;
  - (g) not include payments in the nature of retention payments, job loadings or skills and responsibilities loadings; and
  - (h) not include bonuses that accrued wholly in a previous financial year, even if they were paid in the financial year to which the report relates. Accordingly, if a payment was made in the 2014-15 financial year for performance in respect of the periods 1 July 2012 to 30 June 2013 or 1 October 2012 to 30 September 2013, it should not be included in the 2014-15 annual report. If a significant number of payments fall in to this category, consideration should be given to correcting the information in the previous year's annual report.



Attachment C

## Information on Specific Statutory Provisions Relating to Annual Reports

### 1 Work Health and Safety

Note that the following replicates the substance of the reporting requirements contained in Schedule 2, Part 4 of the *Work Health and Safety Act 2011*.

- (1) Each of the following entities must include the matters mentioned in (2) in its annual report for a financial year:
  - (a) A non-corporate Commonwealth entity within the meaning of the PGPA Act;
  - (b) a public authority.
- (2) The matters are:
  - (a) initiatives taken during the year to ensure the health, safety and welfare of workers who carry out work for the entity;
  - (b) health and safety outcomes (including the impact of injury rates or workers) achieved as a result of initiatives mentioned under paragraph (a) or previous initiatives;
  - (c) statistics of any notifiable incidents of which the entity becomes aware during the year that arose out of the conduct of businesses or undertakings by the entity;
  - (d) any investigations conducted during the year that relate to businesses or undertakings conducted by the entity, including details of all notices given to the entity during the year under Part 10 of the *Work Health and Safety Act 2011*; and
  - (e) such other matters as are required by guidelines approved on behalf of the Parliament by the Joint Committee of Public Accounts and Audit.

### 2 Advertising and Market Research

Note that the following replicates the substance of the reporting requirements contained in section 311A of the *Commonwealth Electoral Act 1918*.

- (1) Section 311A of the *Commonwealth Electoral Act 1918* requires certain annual reporting by each Commonwealth Department (defined as a department of State of the Commonwealth; or a department of the parliament; or an agency within the meaning of the *Public Service Act 1999*).

- (2) The reporting requirements below are based on the *Commonwealth Electoral Act 1918*. Please note that the reporting on advertising and market research is not restricted to electoral matters.
- (3) The annual report is to include a statement setting out particulars of all amounts paid by, or on behalf of the Commonwealth Department during the financial year to:
  - (a) advertising agencies – meaning creative advertising agencies which have developed advertising campaigns. The amount of money paid to them should be the amount paid in creative head hours. Recruitment and tender notices are not required to be reported under this item but should be reported in relation to the item below on payments to media advertising organisations;
  - (b) market research organisations;
  - (c) polling organisations;
  - (d) direct mail organisations – includes those organisations which handle the sorting and mailing out of information material to the public. The costs reported should cover only the amount paid to the organisation and not the cost of postage or production of the material sent out. Where a creative agency or direct marketing agency has been used to create the direct mail materials, the amount paid to the agency should be reported here; and
  - (e) media advertising organisations – the master advertising agencies which place Government advertising in the media. This covers both campaign and non-campaign advertising.
- (4) The statement must identify the persons or organisations to whom those amounts were paid. For the 2014-15 financial year, particulars of payments of \$12,565 or less (inclusive of GST) are not required. Note that the reporting threshold is indexed and the method of calculating the amount of indexation each year is specified in section 321A of the *Commonwealth Electoral Act 1918*.
- (5) In addition to this statutory reporting requirement, agencies must include a statement on advertising campaigns, along the following lines, in the annual report:

During 2014-15, the [insert name of agency] conducted the following advertising campaigns: [insert the name of the advertising campaigns undertaken]. Further information on those advertising campaigns is available at [insert details of agency website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available at [www.finance.gov.au/advertising/index.html](http://www.finance.gov.au/advertising/index.html).
- (6) If no advertising campaigns were undertaken then a statement to that effect should be included in the annual report.

### 3 Ecologically Sustainable Development and Environmental Performance

- (1) Section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* (the EPBC Act) requires Commonwealth entities, companies and other Commonwealth agencies to report on:
- (a) how the activities of, and the administration (if any) of legislation by, the reporter during the period accorded with the principles of ecologically sustainable development (ESD);
    - (i) the EPBC Act notes that ‘*activities*’ includes developing and implementing policies, plans, programmes and legislation, and the operations of the organisation;
    - (ii) the principles of ESD are detailed below;
  - (b) how the outcomes (if any) specified for the reporter in an Appropriations Act relating to the period contribute to ESD;
  - (c) the effect of the reporter’s activities on the environment;
    - (i) the EPBC Act defines the environment to mean:
      - ecosystems and their constituent parts, including people and communities;
      - natural and physical resources;
      - the qualities and characteristics of locations, places and areas;
      - heritage values of places (including places on the Register of the National Estate kept under the *Australian Heritage Council Act 2003*); and
      - the social, economic and cultural aspects of the things mentioned above;
  - (d) any measures the reporter is taking to minimise the impact of activities by the reporter on the environment; and
  - (e) the mechanisms, if any, for reviewing and increasing the effectiveness of those measures.

Further information about the EPBC Act, including a link to the Act, can be found at [www.environment.gov.au/topics/about-us/legislation/environment-protection-and-biodiversity-conservation-act-1999/about-epbc](http://www.environment.gov.au/topics/about-us/legislation/environment-protection-and-biodiversity-conservation-act-1999/about-epbc).

- (2) Promoting ESD is a key objective of the EPBC Act. Section 3A of the EPBC Act identifies the following as principles of ESD:
- (a) decision-making processes should effectively integrate both long-term and short-term economic, environmental, social and equitable considerations (the ‘integration principle’);
  - (b) if there are threats of serious or irreversible environmental damage, lack of full scientific certainty should not be used as a

- reason for postponing measures to prevent environmental degradation ('the precautionary principle');
- (c) the principle of inter-generational equity – that the present generation should ensure that the health, diversity and productivity of the environment is maintained or enhanced for the benefit of future generations (the 'intergenerational principle');
  - (d) the conservation of biological diversity and ecological integrity should be a fundamental consideration in decision-making (the 'biodiversity principle'); and
  - (e) improved valuation, pricing and incentive mechanisms should be promoted (the 'valuation principle').
- (3) The ESD Reporting Guidelines and working template have been developed to assist organisations in meeting their statutory ESD reporting requirements under section 516A of the EPBC Act. These guidelines outline an approach that aims to enhance the quality and consistency of ESD reporting across the Commonwealth.
- (4) Further information on ESD including the ESD Reporting Guidelines and working template, can be found at [www.environment.gov.au/esd](http://www.environment.gov.au/esd).
- (5) Given the need for flexibility and autonomy due to the diversity of organisations in terms of size and operations, and in line with principles of CEO independence, individual reporters should have regard to their own circumstances in determining how best to meet ESD reporting requirements and what information is appropriate to their agency.
- (6) Further information on reporting requirements under section 516A of the EPBC Act is available from the Department of the Environment.

**Attachment D**

## **Other Specific Requirements**

### **1 Grant Programmes**

- (1) As part of reforms introduced to improve the transparency and accountability of grants administration, the ‘Commonwealth Grants Rules and Guidelines’ (the Guidelines) were issued in July 2014. The Guidelines apply to non-corporate Commonwealth entities subject to the PGPA Act. The Guidelines establish the overarching Commonwealth grants policy framework and articulate the expectations for all non-corporate Commonwealth entities in relation to grants administration.
- (2) The Guidelines require that departments publish details of grants on their website, no later than fourteen working days after the funding agreement for the grant takes effect. Details must remain on the website for at least two financial years.
- (3) . As departmental websites now provide information about all grants made, there is no need for departments to compile lists of grant recipients for their annual reports. Instead, departments should include the following statement in their annual reports:

Information on grants awarded by the [insert agency name] during the period 1 July 2014 to 30 June 2015 is available at [insert web address].
- (4) Further information on grants administration is available from the Grants Policy Team, Department of Finance at:  
[grants@finance.gov.au](mailto:grants@finance.gov.au).

### **2 Disability Reporting Mechanisms**

- (1) The specific requirement for disability reporting in individual Commonwealth agency annual reports has been discontinued, because disability reporting occurs through National Disability Strategy (NDS) reporting to COAG and within the State of the Service Report.
- (2) In order to preserve the completeness of individual agency annual reports and the level of parliamentary scrutiny of disability issues overall, each individual agency’s report must include an explicit and transparent reference to other disability reporting mechanisms, specifically noting where agency level information can be found. A suggested form of words to satisfy this requirement is set out below.

Changes to disability reporting in annual reports

Since 1994, Commonwealth departments and agencies have reported on their performance as policy adviser, purchaser, employer, regulator and provider under the Commonwealth Disability Strategy. In 2007-08, reporting on the employer role was transferred to the Australian Public Service Commission's *State of the Service Report* and the *APS Statistical Bulletin*. These reports are available at [www.apsc.gov.au](http://www.apsc.gov.au). From 2010-11, departments and agencies have no longer been required to report on these functions.

The Commonwealth Disability Strategy has been overtaken by the National Disability Strategy 2010-2020, which sets out a ten year national policy framework to improve the lives of people with disability, promote participation and create a more inclusive society. A high level two-yearly report will track progress against each of the six outcome areas of the Strategy and present a picture of how people with disability are faring. The first of these reports will be available in late 2014, and can be found at [www.dss.gov.au](http://www.dss.gov.au).

### **3 Freedom of Information**

*Information Publication Scheme*

- (1) As part of major reforms to FOI legislation, the Information Publication Scheme (IPS) was established in 2011 (see Part II of the *Freedom of Information Act 1982* (FOI Act)). The IPS replaces the former annual report publication requirements in section 8 of the FOI Act. The IPS provides a statutory framework for pro-active publication of information by agencies. As part of the IPS, agencies are required to publish, on a website, 10 categories of information, including information about the agency's structure, functions and statutory appointments. Agencies must also publish 'operational information' that guides decisions or recommendations affecting members of the public as well as information about how the public can comment on policy proposals. Further information about the IPS is available online at [www.oaic.gov.au/freedom-of-information/freedom-of-information-act/the-information-publication-scheme](http://www.oaic.gov.au/freedom-of-information/freedom-of-information-act/the-information-publication-scheme).
- (2) For the 2014-15 financial year, annual reports should include a statement along the following lines:

Agencies subject to the *Freedom of Information Act 1982* (FOI Act) are required to publish information to the public as part of the Information Publication Scheme (IPS). This requirement is in Part II of the FOI Act and has replaced the former requirement to publish a section 8 statement in an annual report. Each agency must display on its website a plan showing what

information it publishes in accordance with the IPS requirements.

**Attachment E**

**Agency Resource Statements and Resources for Outcomes**

**1 Agency Resource Statements**

- (1) The annual report must include in an appendix an Agency Resource Statement table. Agency Resource Statements were introduced to Portfolio Budget Statements (PB Statements) in 2008-09 to provide information about the various funding sources that are available to the agency and that it may draw against.
- (2) The Agency Resource Statement in the annual report has been designed to allow agencies to reconcile the final usage of all resources in cash terms, by declaring the actual available appropriation for 2014-15 (including carried forward cash balances and further adjustments such as section 75 transfers under the PGPA Act and advances to the Finance Minister), and comparing this to the actual payments made.
- (3) Additionally, for departmental appropriations and special accounts, information about any remaining balance that will be carried over to the next financial year must also be reported.
- (4) The required format for the table, which is consistent with Table 1.1 in the PB Statements, is set out below.



Entity Resource Statement 2014-15

		Actual available appropriation for 2014-15 \$'000	Payments made 2014-15 \$'000	Balance remaining 2014-15 \$'000
		(a)	(b)	(a) – (b)
<b>Ordinary Annual Services<sup>1</sup></b>				
Departmental appropriation <sup>2</sup>				
<b>Total</b>				
<b>Administered expenses</b>				
Outcome xxxxx <sup>3</sup>				
Outcome yyyy				
Outcome zzzzz				
Payments to corporate entities <sup>4</sup>				
<b>Total</b>				
<b>Total ordinary annual services</b>	<b>A</b>	*	#	
<b>Other services<sup>5</sup></b>				
<b>Administered expenses</b>				
<b>Specific payments to States,         Act, NT and Local Government</b>				
Outcome aaaaa				
Outcome ccccc				
<b>Total</b>				
<b>New administered expenses</b>				
Outcome bbbb				
<b>Total</b>				
<b>Departmental non-operating</b>				
Equity injections				
<b>Total</b>				
<b>Administered non-operating</b>				
Administered Assets and Liabilities				
Payments to corporate entities - non-operating				
<b>Total</b>				
<b>Total other services</b>	<b>B</b>	*	#	
<b>Total Available Annual Appropriations and payments</b>				
<b>Special appropriations</b>				
<b>Special appropriations limited     by criteria/entitlement</b>				
<i>Public Governance, Performance and         Accountability Act 2013 – s77</i>				
Special Appropriation Act x				
Special Appropriation Act y				
<b>Special appropriations limited     by amount</b>				
Special Appropriation Act z				
<b>Total special appropriations</b>	<b>C</b>		^	
<b>Special Accounts<sup>6</sup></b>				
Opening balance				
Appropriation receipts <sup>7</sup>				
Appropriation receipts - other entities <sup>8</sup>				
Non-appropriation receipts to Special Accounts				
Payments made				

<b>Total Special Account</b>	<b>D</b>	
<b>Total resourcing and payments</b>		
A+B+C+D		
Less appropriations drawn from annual or special appropriations above and credited to special accounts <sup>8</sup>		
and/or payments to corporate entities through annual appropriations		
<b>Total net resourcing and payments for entity X</b>		

<sup>1</sup> Appropriation Act (No.1) 2014-15 and Appropriation Act (No.3) 2014-15 [and Appropriation Act (No. 5) 2014-15 if necessary]. This may also include prior year departmental appropriation and section 74 Retained Revenue Receipts.

<sup>2</sup> Includes an amount of \$xm in 2014-15 for the Departmental Capital Budget. For accounting purposes this amount has been designated as 'contributions by owners'. Also includes an amount of \$Xm that has been credited to the XX Speical Account for Interest Equivalency Payments.

<sup>3</sup> Includes an amount of \$xm in 2014-15 for the Administered Capital Budget. For accounting purposes this amount has been designated as 'contributions by owners'.

<sup>4</sup> 'Corporate entities' are corporate Commonwealth entities and Commonwealth companies as defined under the *PGPA Act 2013*.

<sup>5</sup> Appropriation Act (No.2) 2014-15 and Appropriation Act (No.4) 2014-15 [and Appropriation Act (No. 6) 2014-15 if necessary]

<sup>6</sup> Does not include 'Special Public Money' held in accounts like Services for Other Entities and Trust Moneys Special accounts (SOETM).

<sup>7</sup> Appropriation receipts from entity X annual and special appropriations for 2014-15 included above.

<sup>8</sup> Appropriation receipts from other entities credited to entity xxxx's special accounts.

**Note for drafters (not to be included in final tables)**

Shaded areas denote that no data is required in these fields

Actual Available Appropriation column should use the 2014-15 figures as disclosed in the 2015-16 PB Statement – Entity Resource Statement. Adjustment lines can then be inserted against particular resourcing categories to explain any final resourcing movements such as, but not limited to, section 74 transfers and Advances to the Finance Minister.

\*# Combined total should reconcile to the relevant entity total line the appropriation notes, after adjusting for GST payments/receipts and payments into special accounts.

^ Actual available appropriation for 2014-15 for Total C should be equal to Payments Made 2014-15 for Total C.

## 2 Expenses by Outcomes

- (1) The annual report must include in an appendix a table for each outcome showing the total expenses for the outcome.
- (2) Departments must present the information by way of a table that corresponds to that contained in the Budgeted Expenses for Outcome table in the 2014-15 PB Statement (and where relevant, the 2014-15 Portfolio Additional Estimates Statement). This table is now presented by appropriation source rather than against specific programmes and administered expenses.
- (3) The information in the table must reconcile with the relevant portion in the financial statements. In reconciling the information for each Outcome, the actual expenses (column 2 in the table below) should agree with the appropriate line in the financial statements (as required by rule 34(1) of the PGPA (Financial Reporting) Rule 2015.
- (4) The required format for the table, which is consistent with a Table 2.1 in the PB Statement, is set out below.

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**Expenses for Outcome x**

<b>Outcome x: (Insert Outcome Statement)</b>	Budget*	Actual Expenses	Variation
	2014-15 \$'000	2014-15 \$'000	2014-15 \$'000
	(a)	(b)	(a) – (b)

**Programme 1.1: (Insert programme name)**

Administered expenses  
   Ordinary Annual Services (Appropriation Act No. 1)  
   Other Services (Appropriation Act Nos. 2, 4 and 6)  
   Special appropriations  
   Special Accounts  
 Departmental expenses  
   Departmental appropriation <sup>1</sup>  
  
   Special appropriations  
   Special Accounts  
   Expenses not requiring appropriation in the Budget year

**Total for Programme 1.1**

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**Programme 1.2: (Insert programme name)**

Administered expenses  
   Ordinary annual services (Appropriation Act Nos. 1, 3 and 5)  
   Other services (Appropriation Bill Nos. 2, 4 and 6)  
   Special appropriations  
   Special Accounts  
 Departmental expenses  
   Departmental appropriation <sup>1</sup>  
  
   Special appropriations  
   Special Accounts  
   Expenses not requiring appropriation in the Budget year

**Total for Programme 1.2**

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**Outcome x Totals by appropriation type**

Administered Expenses  
   Ordinary annual services (Appropriation Bill No. 1)  
   Other services (Appropriation Bill No. 2)  
   Special Appropriations  
   Special Accounts  
 Departmental expenses  
   Departmental appropriation <sup>1</sup>  
  
   Special appropriations  
   Special Accounts  
   Expenses not requiring appropriation in the Budget year

**Total expenses for Outcome 1**

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<b>Average Staffing Level (number)</b>	2013-14	2014-15
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\* Full year budget, including any subsequent adjustment made to the 2014-15 Budget at Additional Estimates.

<sup>1</sup> Departmental Appropriation combines Ordinary annual services (Appropriation Act Nos. 1, 3 and 5) and Retained Revenue Receipts under section 74 of the PGPA Act 2013.

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Further assistance with these tables can be obtained by contacting the Department of Finance via: [budget\\_framework@finance.gov.au](mailto:budget_framework@finance.gov.au).

## Attachment F

## List of Requirements

### 1 List of Requirements

- (1) The List of Requirements must be included as an appendix to the annual report. If an item specified in the checklist is not applicable to an agency, it should be reported as not applicable rather than omitted from the list. Agencies should include a column indicating the location of the information in the annual report.

Ref*	Part of Report	Description	Requirement
8(3) & A.4		Letter of transmittal	Mandatory
A.5		Table of contents	Mandatory
A.5		Index	Mandatory
A.5		Glossary	Mandatory
A.5		Contact officer(s)	Mandatory
A.5		Internet home page address and Internet address for report	Mandatory
9	Review by Secretary		
9(1)		Review by departmental secretary	Mandatory
9(2)		Summary of significant issues and developments	Suggested
9(2)		Overview of department's performance and financial results	Suggested
9(2)		Outlook for following year	Suggested
9(3)		Significant issues and developments – portfolio	Portfolio departments – suggested
10	Departmental Overview		
10(1)		Role and functions	Mandatory
10(1)		Organisational structure	Mandatory
10(1)		Outcome and programme structure	Mandatory
10(2)		Where outcome and programme structures differ from PB Statements/PAES or other portfolio statements accompanying any other additional appropriation bills (other portfolio statements), details of variation and reasons for change	Mandatory
10(3)		Portfolio structure	Portfolio departments - mandatory
11	Report on Performance		
11(1)		Review of performance during the year in relation to programmes and contribution to outcomes	Mandatory
11(2)		Actual performance in relation to deliverables and KPIs set out in PB Statements/PAES or other portfolio statements	Mandatory
11(2)		Where performance targets differ from the PBS/PAES, details of both former and new targets, and reasons for the change	Mandatory
11(2)		Narrative discussion and analysis of performance	Mandatory
11(2)		Trend information	Mandatory

\* The reference is to the location of the item in the requirements – e.g. 'A.4' refers to the fourth item in Attachment A.

<b>Ref*</b>	<b>Part of Report</b>	<b>Description</b>	<b>Requirement</b>
11(3)		Significant changes in nature of principal functions/services	Suggested
11(3)		Performance of purchaser/provider arrangements	If applicable, suggested
11(3)		Factors, events or trends influencing departmental performance	Suggested
11(3)		Contribution of risk management in achieving objectives	Suggested
11(4)		Performance against service charter customer service standards, complaints data, and the department's response to complaints	If applicable, mandatory
11(5)		Discussion and analysis of the department's financial performance	Mandatory
11(6)		Discussion of any significant changes in financial results from the prior year, from budget or anticipated to have a significant impact on future operations.	Mandatory
11(7)		Agency resource statement and summary resource tables by outcomes	Mandatory
12	<b>Management and Accountability</b>		
	<b>Corporate Governance</b>		
12(1)		Agency heads are required to certify their agency's actions in dealing with fraud.	Mandatory
12(2)		Statement of the main corporate governance practices in place	Mandatory
12(3)		Names of the senior executive and their responsibilities	Suggested
12(3)		Senior management committees and their roles	Suggested
12(3)		Corporate and operational plans and associated performance reporting and review	Suggested
12(3)		Internal audit arrangements including approach adopted to identifying areas of significant financial or operational risk and arrangements to manage those risks	Suggested
12(3)		Policy and practices on the establishment and maintenance of appropriate ethical standards	Suggested
12(3)		How nature and amount of remuneration for SES officers is determined	Suggested
	<b>External Scrutiny</b>		
12(4)		Significant developments in external scrutiny	Mandatory
12(4)		Judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner	Mandatory
12(4)		Reports by the Auditor-General, a Parliamentary Committee, the Commonwealth Ombudsman or an agency capability review	Mandatory
	<b>Management of Human Resources</b>		
12(5)		Assessment of effectiveness in managing and developing human resources to achieve departmental objectives	Mandatory
12(6)		Workforce planning, staff retention and turnover	Suggested
12(6)		Impact and features of enterprise or collective agreements, individual flexibility arrangements (IFAs), determinations, common law contracts and Australian Workplace Agreements (AWAs)	Suggested
12(6)		Training and development undertaken and its impact	Suggested
12(6)		Work health and safety performance	Suggested
12(6)		Productivity gains	Suggested
12(7)		Statistics on staffing	Mandatory
12(8)		Statistics on employees who identify as Indigenous	Mandatory

<b>Ref*</b>	<b>Part of Report</b>	<b>Description</b>	<b>Requirement</b>
12(9)		Enterprise or collective agreements, IFAs, determinations, common law contracts and AWAs	Mandatory
12(10) & B		Performance pay	Mandatory
12(11)-(12)	Assets management	Assessment of effectiveness of assets management	If applicable, mandatory
12(13)	Purchasing	Assessment of purchasing against core policies and principles	Mandatory
12(14)-(23)	Consultants	The annual report must include a summary statement detailing the number of new consultancy services contracts let during the year; the total actual expenditure on all new consultancy contracts let during the year (inclusive of GST); the number of ongoing consultancy contracts that were active in the reporting year; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST). The annual report must include a statement noting that information on contracts and consultancies is available through the AusTender website.	Mandatory
12(24)	Australian National Audit Office Access Clauses	Absence of provisions in contracts allowing access by the Auditor-General	Mandatory
12(25)	Exempt contracts	Contracts exempted from publication in AusTender	Mandatory
12(26)-(28)	Small business	Procurement initiatives to support small business	Mandatory
13	Financial Statements	Financial Statements	Mandatory
	<b>Other Mandatory Information</b>		
14(1) & C.1		Work health and safety (Schedule 2, Part 4 of the <i>Work Health and Safety Act 2011</i> )	Mandatory
14(1) & C.2		Advertising and Market Research (Section 311A of the <i>Commonwealth Electoral Act 1918</i> ) and statement on advertising campaigns	Mandatory
14(1) & C.3		Ecologically sustainable development and environmental performance (Section 516A of the <i>Environment Protection and Biodiversity Conservation Act 1999</i> )	Mandatory
14(1)		Compliance with the agency's obligations under the <i>Carer Recognition Act 2010</i>	If applicable, mandatory
14(2) & D.1		Grant programmes	Mandatory
14(3) & D.2		Disability reporting – explicit and transparent reference to agency-level information available through other reporting mechanisms	Mandatory
14(4) & D.3		Information Publication Scheme statement	Mandatory
14(5)		Correction of material errors in previous annual report	If applicable, mandatory
E		Agency Resource Statements and Resources for Outcomes	Mandatory
F		List of Requirements	Mandatory