

Reporting on Governing Boards of Commonwealth Entities and Companies

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Senior Executive Director
Corporate Management Group
Australian National Audit Office
GPO Box 707
Canberra ACT 2601

Or via email:

communication@anao.gov.au.



Canberra ACT

20 June 2022

Dear Mr President
Dear Mr Speaker

In accordance with the authority contained in Section 25 of the *Auditor-General Act 1997*, I have produced an information report titled *Reporting on Governing Boards of Commonwealth Entities and Companies*.

This information report is not an audit or assurance review report and does not present a conclusion.

I present this information report to the Parliament.

Following its presentation and receipt, the report will be placed on the Australian National Audit Office's website — <https://www.anao.gov.au>.

Yours sincerely



Grant Hehir
Auditor-General

The Honourable the President of the Senate
The Honourable the Speaker of the House of Representatives
Parliament House
Canberra ACT

AUDITING FOR AUSTRALIA

The Auditor-General is head of the Australian National Audit Office (ANAO). The ANAO assists the Auditor-General to carry out his duties under the *Auditor-General Act 1997* to undertake performance audits, financial statement audits and assurance reviews of Commonwealth public sector bodies and to provide independent reports and advice for the Parliament, the Australian Government and the community. The aim is to improve Commonwealth public sector administration and accountability.

For further information contact:
Australian National Audit Office
GPO Box 707
Canberra ACT 2601

Phone: (02) 6203 7300
Email: ag1@anao.gov.au

Auditor-General reports and information about the ANAO are available on our website:
<http://www.anao.gov.au>

Information report team

Ben Siddans
Carolyn Truong
Dan Fawcett
Alexander Aird
Harry Thawley
Tex Turner
Xiaoyan Lu

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Summary

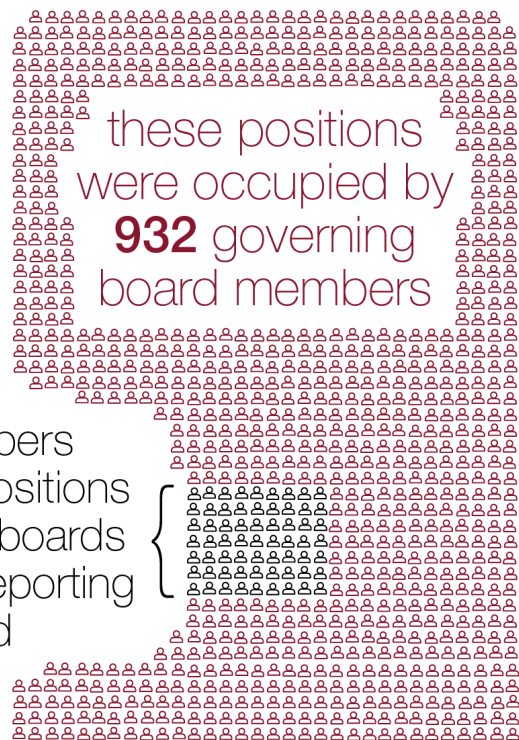
1. Most corporate Commonwealth entities (CCEs), some non-corporate Commonwealth entities (NCEs) and all Commonwealth companies are governed by a group of persons described as a 'board'. The Public Governance, Performance and Accountability Rule 2014 mandates the reporting of information relating to the membership of governing boards through entities' annual reports and the Department of Finance's Transparency Portal (refer Table 3.1).
2. Section 25 of the *Auditor-General Act 1997* enables the Auditor-General at any time to cause a report to be tabled in either House of the Parliament on any matter. This is the first information report prepared by the ANAO on the governing board membership of Commonwealth entities (CCEs and NCEs) and companies. The objective of this information report is to provide transparency and insights on the governing boards of Commonwealth entities and companies and the membership of these boards.
3. The data used for this report is primarily based on information sourced from relevant Commonwealth entities' and companies' annual reports from 2018–19 to 2020–21. In compiling this report, the ANAO also drew upon other data sources (refer Table 1.1).

80

Commonwealth entities and companies are governed by a board consisting of more than two individuals

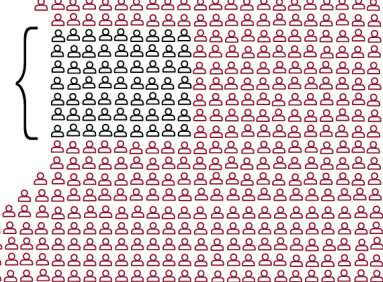


they reported a total of 2340 board positions between 2018–19 and 2020–21



Governing board members served an average of **3.7 years**

63 members occupied positions on multiple boards in a single reporting period



765 of the 932 governing board members were non-executive board members



48%

82%

receiving total reported remuneration of \$81.3m



total reported remuneration for all governing board members (\$169.7m)

1. Background

Introduction

1.1 Commonwealth entities and companies are governed by various structures, such as a single individual, or a group of persons that may be described as a governing 'board'. Boards charged with governance of Commonwealth entities and companies are typically concerned with ensuring corporate compliance and management accountability and are required to publicly report on their structure and membership.

1.2 The three types of Commonwealth entities and companies discussed in this report are:

- Non-corporate Commonwealth entities (NCEs), which are legally and financially part of the Commonwealth and include departments of state, Parliamentary departments, and listed entities¹;
- Corporate Commonwealth entities (CCEs), which have a separate legal identity from the Commonwealth, and are body corporates of the Commonwealth other than a Commonwealth company²; and
- Commonwealth companies, which are companies established under the *Corporations Act 2001* (Corporations Act) that the Commonwealth controls and are legally separate from the Commonwealth.³

1.3 Under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), Commonwealth entities (NCEs and CCEs) are governed by accountable authorities, which may be an individual or a group of persons.⁴ Commonwealth companies are governed by directors which collectively comprise a board.⁵

1.4 Governing board members are subject to various legislative requirements.⁶ Members of the governing boards of Commonwealth entities are subject to requirements contained within the enabling legislation used to establish an entity. Board members of Commonwealth companies are subject to requirements in the Corporations Act, company constitutions, or a combination of both.⁷ Additionally, the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule) establishes requirements to report specific information about accountable authorities (such as the

1 Section 10 and subsection 11(b) of the *Public Governance, Performance and Accountability Act 2013*. A listed entity is defined as including any body, person, group of persons or organisation (except a body corporate) that is prescribed by an Act or the rules to be a listed entity.

2 Section 10 and subsection 11(a) of the *Public Governance, Performance and Accountability Act 2013*.

3 Section 89 of the *Public Governance, Performance and Accountability Act 2013*. Commonwealth companies do not include a company that is a subsidiary of: a Commonwealth company; or a corporate Commonwealth entity; or the Future Fund Board of Guardians.

4 Section 12 of the *Public Governance, Performance and Accountability Act 2013*.

5 Subsection 12(2) of the *Public Governance, Performance and Accountability Act 2013* sets out the person of body that is the accountable authority for Commonwealth entities. No accountable authority is specified for Commonwealth companies.

6 As discussed in paragraph 1.11, this report is specifically focused on governing boards only and does not include other boards, such as advisory boards.

7 Australian Securities and Investments Commission, *Constitution and replaceable rules* [Internet], ASIC, 2021, available from <https://asic.gov.au/for-business/registering-a-company/steps-to-register-a-company/constitution-and-replaceable-rules/> [accessed 14 January 2022].

name of the individual(s)), and similar requirements regarding directors of Commonwealth companies (refer Table 3.1).

1.5 The PGPA Rule reporting requirements for governing boards are fulfilled by reporting information through annual reports and publishing annual reports using the digital reporting tool administered by the Minister for Finance, known as the Transparency Portal. The Department of Finance (Finance) is responsible for establishing and promulgating the Australian Government's resource management framework.⁸ The Transparency Portal was established by Finance to provide a repository of publicly available corporate information for all Commonwealth entities and companies. From the 2018–19 reporting period, all annual reports were required to be published on and accessible from the Transparency Portal shortly after the presentation of these reports to the Parliament.⁹

1.6 Finance provides guidance on the implementation of the PGPA Rule reporting requirements through resource management guides (RMGs), such as:

- RMG 135 *Annual reports for non-corporate Commonwealth entities*;
- RMG 136 *Annual report for corporate Commonwealth entities*; and
- RMG 137 *Annual reports for Commonwealth companies*.

1.7 These RMGs set out the requirements for the publication of annual report information on the Transparency Portal. Finance also provides information on the types of Australian Government bodies, and a glossary of PGPA-related terms.¹⁰

1.8 The ANAO has undertaken a number of performance audits related to board governance. In April and May 2019, the Auditor-General presented a series of audits that reviewed whether the boards of selected CCEs had established effective arrangements to comply with selected legislative and policy requirements, and adopted practices that support effective governance.¹¹ The ANAO also published an audit insights product from the audit series in 2019, which outlined a number of

8 The Australian Government's resource management framework governs the use of public resources within the Australian government public sector. The framework is underpinned by the *Public Governance, Performance and Accountability Act 2013* and is intended to contribute to an accountable and transparent public sector. Department of Finance, *Managing Commonwealth Resources* [Internet], Department of Finance, available from <https://www.finance.gov.au/government/managing-commonwealth-resources> [accessed 1 March 2022].

9 Transparency Portal, *About* [Internet], Transparency Portal, available from <https://www.transparency.gov.au/about> [accessed 23 November 2021].

10 Department of Finance, *Types of Australian Government Bodies* [internet], 11 February 2021, available from <https://www.finance.gov.au/government/managing-commonwealth-resources/structure-australian-government-public-sector/types-australian-government-bodies> [accessed 14 January 2022] and Department of Finance, *PGPA Glossary* [internet], 2021, available from <https://www.finance.gov.au/about-us/glossary/pgpa> [accessed 29 March 2022].

11 Auditor-General Report No.34 2018–19 *Effectiveness of Board Governance at Old Parliament House*
Auditor-General Report No.35 2018–19 *Governance of the Special Broadcasting Service Corporation*
Auditor-General Report No.36 2018–19 *Effectiveness of Board Governance at the Australian Institute of Marine Science*
Auditor-General Report No.37 2018–19 *Effectiveness of Board Governance at the Sydney Harbour Federation Trust*
An additional three performance audits related to board governance at corporate Commonwealth entities are due to table in June 2022. The three entities are the: Commonwealth Superannuation Corporation; Australian Film, Television and Radio School; and Hearing Australia.

key messages that may be relevant to the operations of other governance boards as well as broader governance arrangements in Commonwealth entities.¹²

Rationale and approach

1.9 The purpose of the ANAO is to support accountability and transparency in the Australian Government sector through independent reporting to the Parliament, and thereby contribute to improved public sector performance.¹³ Section 25 of the *Auditor-General Act 1997* enables the Auditor-General at any time to cause a report to be tabled in either House of the Parliament on any matter.

1.10 The objective of this information report is to provide transparency and insights on the governing boards of Commonwealth entities and companies and the membership of these boards. To achieve this, the report provides analysis of:

- (a) governing board membership requirements outlined in relevant enabling legislation and company constitutions;
- (b) reported information in annual reports on governing board members; and
- (c) observations on data in relation to the reporting of governing boards.

1.11 This information report focuses on the governing boards of Commonwealth entities and companies.¹⁴ Entities may have other ‘boards’, such as advisory boards, to support the governing board. These advisory bodies are excluded from analysis. From a list of 187 Commonwealth entities and companies under the PGPA Act, 80 had a governing board.¹⁵ These consist of:

- three of the 98 NCEs¹⁶;
- 59 of the 71 CCEs¹⁷; and
- all 18 Commonwealth companies.

1.12 This information report is not an audit or assurance review report and does not present a conclusion. The analysis of the governing boards of Commonwealth entities and companies is based

12 Australian National Audit Office, *Board Governance* [internet], ANAO, 2019, available from <https://www.anao.gov.au/work/audit-insights/board-governance> [accessed 2 June 2022].

13 ANAO, *ANAO Corporate Plan 2021–22* [Internet], ANAO, 2021, available from <https://www.anao.gov.au/work/corporate/anao-corporate-plan-2021-22> [accessed 1 March 2022].

14 A governing ‘board’ may be described in various ways in legislation, including: authority, commission, corporation, council, or trust.

15 187 was based on the Department of Finance *List of Commonwealth entities and companies under the PGPA Act* as at 2 March 2022. Eighty was based on whether the accountable authority or governing board comprised of more than two individuals.

16 These are the Tertiary Education Quality and Standards Agency; the National Capital Authority; and the Organ and Tissue Authority. The Organ and Tissue Authority ceased being governed by a board from 1 November 2021 due to changes to its enabling legislation but was included as this report reviewed annual reports prior to this change.

17 There are eight out of 71 CCEs that have an accountable authority comprised of one individual and are not included in this report. The eight entities are the: Australian Pesticides and Veterinary Medicines Authority; Director of National Parks; Murray-Darling Basin Authority; Australian Human Rights Commission; Comcare; Independent Hospital Pricing Authority; National Offshore Petroleum Safety and Environmental Management Authority; and Reserve Bank of Australia. There are four out of 71 CCEs that have an accountable authority comprised of two individuals and are not included in this report. The four entities are the: Anindilyakwa Land Council; Central Land Council; Northern Land Council; and Tiwi Land Council.

on data collated by the ANAO from various sources (refer Table 1.1). The bulk of this data was collected between January and March 2022.

Data sources

1.13 In compiling this report, the ANAO drew upon seven data sources relevant to the analysis of the governing boards of Commonwealth entities and companies, which are described in Table 1.1. All data used in this report is publicly available at no cost. In searching for documents that were publicly available, such as annual reports and company constitutions, the ANAO undertook online research as might be undertaken by a member of the general public, such as reviewing websites and conducting basic internet searches. The ANAO did not make use of its information-gathering powers, commercially-available services that require a fee or licence agreement to access information, or other non-public, fee charging sources.

Table 1.1: Data sources used in this information report

Data Source	Purpose
Flipchart of PGPA Act Commonwealth entities and companies as at 2 March 2022 ^a and List of Commonwealth entities and companies under the PGPA Act ^a as at 2 March 2022	These documents are compiled by Finance and reflect the status of Commonwealth entities and companies at a point in time. This includes classification as NCEs, CCEs or Commonwealth companies under the PGPA Act and provides information on enabling legislation. The ANAO used these resources to identify Commonwealth entities and companies for inclusion in this information report. The Flipchart and List used for this report were published by Finance on 2 March 2022 and were the latest versions online when this report was drafted.
The published, publicly available annual reports of Commonwealth entities and companies with governing boards	The ANAO used annual reports from 2018–19, 2019–20 and 2020–21 to collate information related to governing board members of Commonwealth entities and companies.
Enabling legislation of Commonwealth entities with governing boards	The ANAO performed a high-level analysis of information from enabling legislation to identify and interpret membership requirements for the governing boards of Commonwealth entities.
Constitutions of Commonwealth companies with governing boards	The ANAO performed a high-level analysis of information from company constitutions that were found publicly online at no cost to identify membership requirements.
Transparency Portal data	This report includes the ANAO's observations on publicly available data for 2018–19, 2019–20 and 2020–21 related to governing board members of Commonwealth entities and companies contained on the Transparency Portal as at January 2022.
Australian Standard Classification of Education ^b	Due to variability across boards, this standard was used to identify qualifications, skills or experience requirements for governing board members specified in enabling legislation or company constitutions.
Australian Qualifications Framework ^c	This framework was used to identify qualifications of governing board members reported in annual reports.

Note a: Department of Finance, *PGPA Act Flipchart and List* [Internet], Department of Finance, 2021, available from <https://www.finance.gov.au/government/managing-commonwealth-resources/structure-australian-government-public-sector/pgpa-act-flipchart-and-list> [accessed 28 March 2022].

Note b: Australian Bureau of Statistics, *Australian Standard Classification of Education (ASCED)*, [Internet], ABS, 2001, available from <https://www.abs.gov.au/ausstats/abs@.nsf/mf/1272.0> [accessed 17 December 2021].

Note c: Australian Qualifications Framework, *Australian Qualifications Framework Second Edition January 2013*, Australian Qualifications Framework Council, South Australia, 2013, available from <https://www.aqf.edu.au/publication/aqf-second-edition> [accessed 4 April 2022].

1.14 This report was prepared at a cost to the ANAO of \$111,881.

2. Membership requirements of Commonwealth entities and companies

2.1 Commonwealth entities and companies with governing boards vary significantly by function, and governing boards may also vary in their composition, operating arrangements, independence and subject-matter focus, depending on the specific requirements of their enabling legislation, company constitution and other applicable laws. This chapter discusses common membership requirements prescribed in enabling legislation and company constitutions.

Scope of analysis and data availability

Data availability by entity type

2.2 Membership requirements of the governing boards of Commonwealth companies are not publicly available at no cost in all instances. The ANAO was able to use publicly available sources to identify membership requirements relating to all governing boards of non-corporate Commonwealth entities (NCEs) and corporate Commonwealth entities (CCEs), and 10 Commonwealth companies (56 per cent).¹⁸ The requirements for the remaining eight companies (44 per cent) are not included in this chapter.¹⁹ Table 2.1 shows the number and proportion of data available for membership requirements by entity type.²⁰

Table 2.1: Availability of data for membership requirements of governing boards by entity type

	Total number of entities with governing boards	Number (proportion) of governing boards with publicly available data
NCEs	3	3 (100%)
CCEs	59	59 (100%)
Commonwealth companies	18	10 (56%)
Total	80	72 (90%)

Source: ANAO analysis of enabling legislation and company constitutions that are publicly available at no cost.

18 The 10 companies are: NBN Co Limited; Australian Strategic Policy Institute Ltd; Bundanon Trust; Aboriginal Hostels Limited; Australian Institute for Teaching and School Leadership Limited; Creative Partnerships Australia Ltd; National Australia Day Council Limited; Outback Stores Pty Ltd; AAF Company and RAAF Welfare Recreational Company.

19 The eight companies are: Australian Rail Track Corporation Limited; National Intermodal Corporation Limited; WSA Co Ltd; ASC Pty Ltd; Australian Naval Infrastructure Pty Ltd; Australian Sports Foundation Limited; Snowy Hydro Limited and Financial Adviser Standards and Ethics Authority Ltd.

20 A total of 55 enabling legislation and 10 company constitutions were analysed for the 72 governing boards as enabling legislation can establish more than one entity.

Data availability by portfolio

2.3 The ANAO examined the extent to which common requirements for governing board members varied by the portfolio of the relevant entity.²¹ Data on governing board membership requirements varied by portfolio, due to both the number of boards in each portfolio, and the availability of data for these boards. The Infrastructure, Transport, Regional Development and Communications portfolio had the largest number of entities governed by boards (25), of which data was available for the boards of 22 entities (refer Table 2.2). All other portfolios had 10 or fewer entities governed by boards.

Table 2.2: Availability of data for membership requirements of governing boards by portfolio

Portfolios	Total number of entities having governing boards	Number (proportion) of governing boards with publicly available data
Agriculture, Water and the Environment	7	7 (100%)
Attorney-General's	1	1 (100%)
Defence	10	10 (100%)
Education, Skills and Employment	4	4 (100%)
Finance	3	1 (33%)
Foreign Affairs and Trade	2	2 (100%)
Health	7	6 (86%)
Industry, Science, Energy and Resources	6	5 (83%)
Infrastructure, Transport, Regional Development and Communications	25	22 (88%)
Prime Minister and Cabinet	9	9 (100%)
Social Services	2	2 (100%)
Treasury	3	2 (67%)
Veterans' Affairs (part of the Defence portfolio)	1	1 (100%)
Total	80	72 (90%)

Source: ANAO analysis of enabling legislation and company constitutions that are publicly available at no cost.

2.4 Additionally, the board requirements examined by the ANAO are those applying to the majority of governing board members. Due to variability in board conditions, the ANAO did not analyse requirements that may only apply to a small number of individuals, or a specific position title (such as a Chief Executive Officer or Managing Director). This means that some requirements that typically apply only to a specific position title (such as the Chair of the board) may not be represented in the below analysis. Refer to Appendix 1 for examples of the approach undertaken by the ANAO to interpret information in enabling legislation.

21 The ANAO used the Department of Finance's *Flipchart of PGPA Act Commonwealth entities and companies* (the flipchart) to identify the relevant portfolio for each Commonwealth entity and company. Entities listed under Veterans' Affairs are part of the Defence portfolio, but have been listed separately as the flipchart groups entities under their relevant Department of State.

Common requirements for board membership and composition

2.5 Based on a high-level analysis of the enabling legislation of 62 Commonwealth entities and 10 company constitutions, the ANAO identified a selection of common requirements that applied to multiple governing boards. These generally related to size, period of appointment and qualifications, skills, or experience (refer Table 2.3).

Table 2.3: Total number and proportion of entities which specified governing board requirements by entity type

	Minimum number of members	Maximum number of members	Maximum years per appointment	Maximum combined years of service ^a	Qualifications, skills or experience
NCEs (proportion of total) ^b	3 (100%)	3 (100%)	3 (100%)	0 (0%)	1 (33%)
CCEs (proportion of total) ^b	59 (100%)	55 (93%)	54 (92%)	16 (27%)	33 (56%)
Commonwealth companies (proportion of total) ^b	10 (100%)	9 (90%)	8 (80%)	0 (0%)	2 (20%)

Note a: Includes multiple appointments when members are eligible for reappointment.

Note b: The proportion of total calculations are based on a total of three NCEs, 59 CCEs and 10 companies.

Source: ANAO analysis of enabling legislation and company constitutions that are publicly available at no cost.

Number of members

2.6 The ANAO analysed the membership requirements of governing boards to report the prescribed minimum and/or maximum number of members. All 72 governing boards specified a minimum membership size, and 67 specified a maximum membership size.²² Table 2.4 shows the range in minimum and maximum number of board members (where specified) across the three entity types examined. The governing board of the Torres Strait Regional Authority had both the highest minimum and maximum number of board members.²³

Table 2.4: Minimum and maximum number of governing board members by entity type

	Minimum ^a			Maximum ^b		
	Lowest	Median	Highest	Lowest	Median	Highest
NCEs	2	5	8	5	5	8
CCEs	1 ^c	7	20	4	9	23
Commonwealth companies	1 ^d	3	5	7	9	12

Note a: These figures present data for governing boards of three NCEs, 59 CCEs, and 10 Commonwealth companies.

22 The enabling legislation of the Australian Military Forces Relief Trust Fund, Royal Australian Air Force Welfare Trust Fund, Royal Australian Navy Relief Trust Fund; Hearing Australia and National Australia Day Council Limited did not explicitly specify a maximum number of board members.

23 The *Aboriginal and Torres Strait Islander Act 2005* requires that the board of the Torres Strait Regional Authority have at least 20, and not more than 23, members.

Note b: These figures present data for governing boards of three NCEs, 55 CCEs, and nine Commonwealth companies.

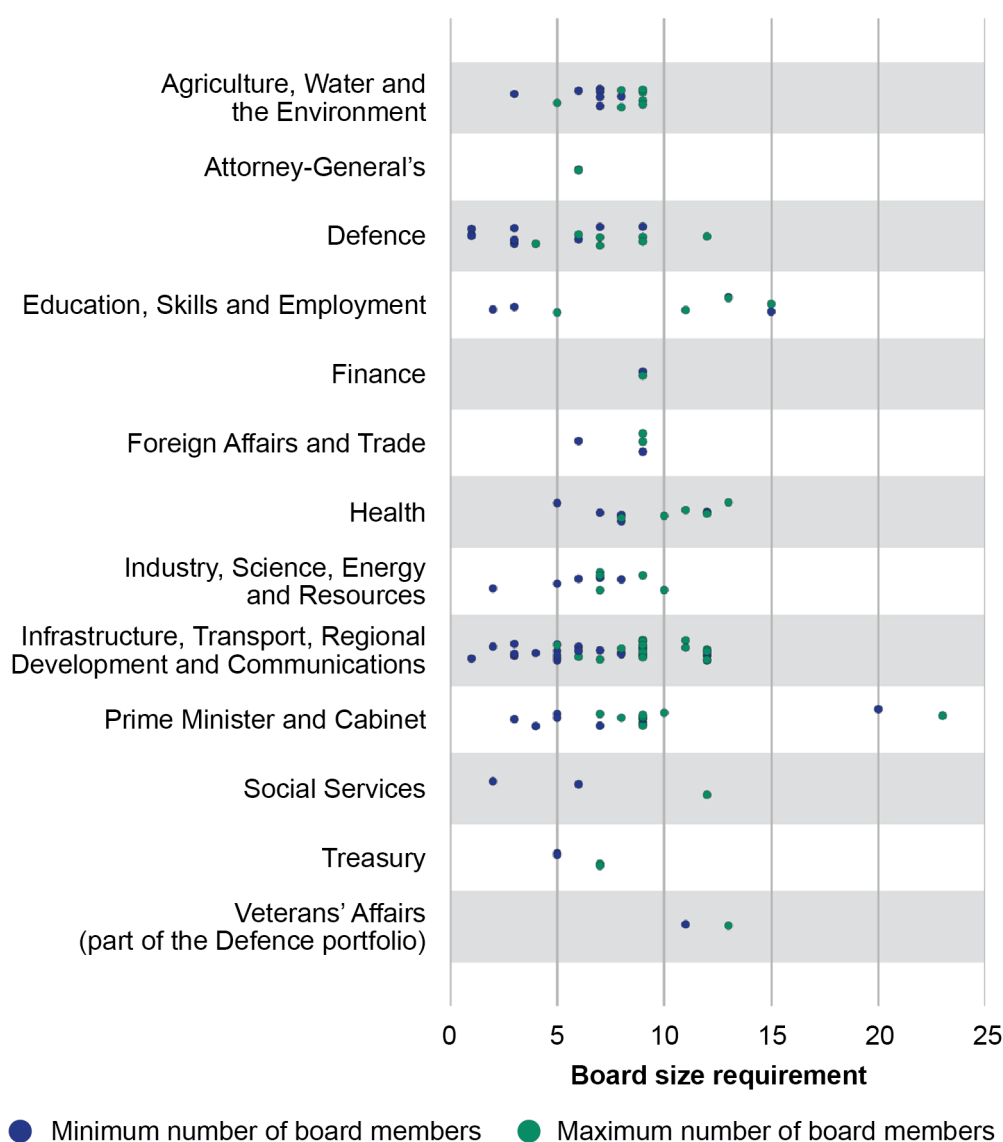
Note c: The ANAO has interpreted the *Services Trust Funds Act 1947* to specify a minimum of one member for the governing boards of the Australian Military Forces Relief Trust Fund, Royal Australian Air Force Welfare Trust Fund and Royal Australian Navy Relief Trust Fund.

Note d: The ANAO has interpreted the company constitution for Bundanon Trust to specify a minimum of one governing board member as it makes explicit reference to the Chairperson only (refer Appendix 1). Other legislation, such as the Corporations Act, may impose minimum board membership requirements, however this was outside the scope of this report.

Source: ANAO analysis of enabling legislation and company constitutions that are publicly available at no cost.

2.7 Figure 2.1 shows the number of governing boards for which minimum and maximum membership requirements were specified, and the variability of these requirements, across portfolios. The overlap between minimum and maximum membership requirements within portfolios shows the range of these requirements, while portfolios with more data points indicate a greater number of boards, or a greater number of boards with such requirements.

Figure 2.1: Minimum and maximum number of governing board members by portfolio



Source: ANAO analysis of enabling legislation and company constitutions that are publicly available at no cost.

Period of appointment

2.8 The ANAO analysed requirements relating to the maximum period (years) for each appointment as a governing board member. Among the 72 governing boards analysed, 65 had specified a maximum number of years for each appointment. This was generally consistent across the governing boards of all three entity types, with five years being the longest period of appointment (refer Table 2.5). Members can be eligible for reappointment depending on enabling legislation and applicable laws. The enabling legislation of 16 CCEs (27 per cent) specified a maximum combined number of years that a member can serve on a particular governing board (refer Table 2.3). This ranged from six to 10 years. None of the enabling legislation of NCEs or publicly available company constitutions specified this requirement.

Table 2.5: Maximum years per appointment and maximum combined years of governing board service by entity type

	Maximum years per appointment ^a			Maximum combined years of service ^b		
	Lowest	Median	Highest	Lowest	Median	Highest
NCEs	4	5	5	N/S	N/S	N/S
CCEs	1 ^c	3	5	6	9	10
Commonwealth companies	3	3	5	N/S	N/S	N/S

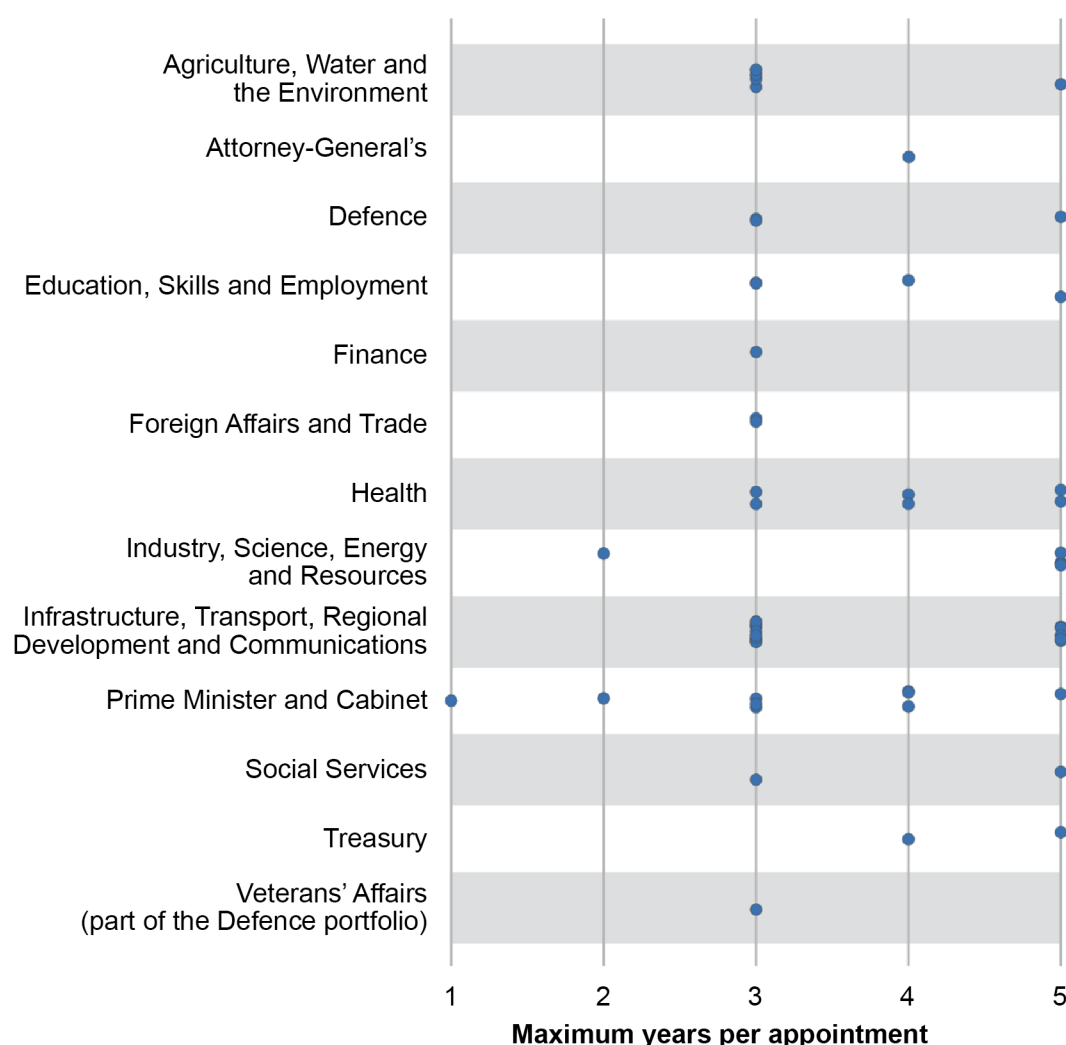
Note a: These figures present data for the governing boards of three NCEs, 54 CCEs, and eight Commonwealth companies. There were requirements relating to maximum number of years per appointment which exceeded five years, however these did not apply to the majority of the governing board members.

Note b: These figures present data for the governing boards of 16 CCEs and 'N/S' denotes that this requirement was not specified.

Note c: The ANAO has interpreted the *Aboriginal Land Grant (Jervis Bay Territory) Act 1986* to specify a maximum period of appointment of one year for the governing board of the Wreck Bay Aboriginal Community Council, as members are elected on an annual basis but can be re-elected.

Source: ANAO analysis of enabling legislation and company constitutions that are publicly available at no cost.

2.9 The maximum number of years per appointment requirement was generally consistent across portfolios, with three years being the most common period of appointment (see Figure 2.2).

Figure 2.2: Maximum years per appointment of governing board members by portfolio

Note: There were requirements relating to maximum number of years per appointment which exceeded five years, however these did not apply to the majority of the governing board members. The ANAO has interpreted the *Aboriginal Land Grant (Jervis Bay Territory) Act 1986* to specify a maximum period of appointment of one year for the governing board of the Wreck Bay Aboriginal Community Council, as members are elected on an annual basis but can be re-elected.

Source: ANAO analysis of enabling legislation and company constitutions that are publicly available at no cost.

2.10 Seven out of the 13 portfolios specified requirements relating to maximum combined years of service.²⁴ Only the Infrastructure, Transport, Regional, Development and Communications portfolio had more than one CCE specifying this requirement with all 10 entities either specifying nine or 10 years. This was on the higher end of the range based on the data available.

Qualifications, skills or experience

2.11 The ANAO analysed the qualifications, skills, or experience requirements for governing board members specified in enabling legislation and company constitutions. In doing so the ANAO

²⁴ The seven portfolios are: Agriculture, Water and the Environment; Education, Skills and Employment; Finance; Foreign Affairs and Trade; Health; Infrastructure, Transport, Regional Development and Communications and Prime Minister and Cabinet.

examined descriptive text to determine the relevant broad field of education for the requirement, as outlined in the Australian Standard Classification of Education (ASCED).²⁵

2.12 For the 72 governing boards, 36 specified qualifications, skills or experience requirements for their governing board members and a further six stated governing board members should have knowledge or experience relevant to the entity. Table 2.6 shows that qualifications, skills or experiences relating to ‘management and commerce’, and ‘society and culture’ were most common at 83 per cent and 72 per cent of the 36 governing boards with specific requirements, respectively.

2.13 An understanding of information technology, cyber security and associated risks is increasingly relevant to organisations and their boards.²⁶ Eight per cent of boards identified requirements relating to information technology, and none explicitly stated requirements for cyber security.²⁷

Table 2.6: Top 10 qualifications, skills and experience requirements of governing board members

Broad field of education classification	Number of governing boards with specified requirements	Proportion of governing boards with specified requirements
Management and Commerce	30	83%
Society and Culture	26	72%
Engineering and Related Technologies	13	36%
Agriculture, Environmental and Related Studies	11	31%
Natural and Physical Sciences	8	22%
Health	6	17%
Creative Arts	5	14%
Architecture and Building	4	11%
Education	4	11%
Information Technology	3	8%

Note: Each governing board can have multiple qualification, skills and experience requirements. This analysis presents data for the governing boards of one NCE, 33 CCEs, and two Commonwealth companies based on the ASCED’s broad field of education classification.

Source: ANAO analysis of enabling legislation and company constitutions that are publicly available at no cost.

25 Australian Bureau of Statistics, *Australian Standard Classification of Education (ASCED)*, [Internet], ABS, 2001, available from <https://www.abs.gov.au/ausstats/abs@.nsf/mf/1272.0> [accessed 17 December 2021].

26 For example, in March 2022, the Australian Securities and Investments Commission (ASIC) advised that all ASIC-regulated entities should urgently adopt an enhanced cyber security posture, and that ASIC expects all boards to pay heightened attention to their entity’s exposure to the threat environment and progress on timely mitigation. Australian Securities and Investments Commission, *The ACSC encourages Australian Organisations to urgently adopt an enhanced cyber security position*, [Internet], ASIC, 2022, available from <https://asic.gov.au/about-asic/news-centre/news-items/the-acsc-encourages-australian-organisations-to-urgently-adopt-an-enhanced-cyber-security-position/> [accessed 6 April 2022].

27 The ASCED does not identify cyber security as a broad field of education classification.

3. Reporting on governing board membership of Commonwealth entities and companies

3.1 Commonwealth entities and companies are required to publicly report information relating to individual members of their governing boards. This chapter describes the type of member information boards are required to report and provides insights into the characteristics of governing board members based on this reporting.

Reporting requirements

3.2 The Public Governance, Performance and Accountability Rule 2014 (PGPA Rule) sets out reporting requirements for annual reports of Commonwealth entities and companies in relation to their governing board members (refer Table 3.1). This chapter uses published annual reports that are publicly available at no cost to report on information relating to the governing board membership of Commonwealth entities and companies.

Table 3.1: PGPA Rule annual report reporting requirements relating to membership of governing boards

Entity type	PGPA Rule reference	Membership reporting requirement
Non-corporate Commonwealth entity (NCEs)	Paragraph 17AE(1)(aa)	Name of the accountable authority or member
		Position title of the accountable authority or member
		Period as the accountable authority or member within the reporting period
Corporate Commonwealth entity (CCEs)	Subsection 17BE(j)	Name of the accountable authority or member
		Qualifications of the accountable authority or member
		Experience of the accountable authority or member
		Number of meetings of the accountable authority attended by the member
		Whether the member is an executive or non-executive
Commonwealth company	Subsection 28E(f)	Name of the director
		Qualifications of the director
		Experience of the director
		Number of meetings of the board of the company attended by the director
		Whether the director is an executive or non-executive
All	Sections 17CA and 28EA	Information on remuneration of key management personnel ^a

Note a: RMG 138 *Commonwealth entities' executive remuneration reporting guide for annual reports* and RMG 139 *Commonwealth companies' executive remuneration reporting guide for annual reports* provides guidance for

reporting remuneration details for key management personnel (KMP). As defined in AASB 124 *Related Party Disclosures*, KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

Source: PGPA Rule.

3.3 This report does not conclude on the compliance of Commonwealth entities and companies with reporting requirements.

3.4 This chapter provides analysis of the characteristics of governing board members using information reported in annual reports between 2018–19 and 2020–21.²⁸ There were 932 separate individual members occupying 2340 governing board positions with a total reported pay of \$169,695,127 across the three reporting periods.²⁹ When analysing the characteristics of specific individual members, such as gender, qualifications, skills or experience, the ANAO has reported results by board position per reporting period, as these characteristics may change over time. When analysing factors such as the service length of a member, which are cumulative or do not change, the ANAO has reported results by individual member.

Board size

3.5 Table 3.2 shows there was minimal variation in the median size of governing boards by entity type over the three reporting periods.

Table 3.2: Median governing board size by entity type

	2018–19	2019–20	2020–21
NCEs	5	4	5
CCEs	9	9	8
Commonwealth companies	8	8	8

Note: For each individual board, a board member is considered to be a member of the board at 30 June of each financial year if they have not been explicitly stated to have ceased or have not reported a cessation date prior to 1 July the following financial year.

Source: ANAO analysis of annual reports published between 2018–19 and 2020–21.

3.6 Table 3.3 shows that in 2020–21, most governing boards had between six and 10 members. No governing board had over 20 members at 30 June 2021 and the largest governing board was the Torres Strait Regional Authority consisting of 20 members.

Table 3.3: Distribution of governing board sizes as at 30 June 2021 by entity type

	≤ 5 members	6-10 members	11-15 members	≥ 16 members	Total
NCEs	2	1	0	0	3
CCEs ^a	3	44	11	1	59

28 This analysis excludes Australian National University's (ANU) 2021 annual report as it had not been published as at the publication deadline of this report (2 June 2022). This is due to ANU's reporting period being 1 January to 31 December. For reporting purposes, this chapter's analysis uses information reported in ANU's 2020 annual report for analysis performed on the 2020–21 reporting period.

29 A board position represents one board member occupying a position on a governing board within a single reporting period. Across the three reporting periods, 2340 board positions have been occupied by 932 members, as members can be on multiple boards. Where the member has the same reported name, the ANAO has assumed this to be the same individual.

	≤ 5 members	6-10 members	11-15 members	≥ 16 members	Total
Commonwealth companies	2	15	1	0	18
Total	7	60	12	1	80

Note: For each individual board, a board member is considered to be a member of the board at 30 June 2021 if they have not been explicitly stated to have ceased or have not reported a cessation date prior to 1 July 2021.

Note a: The Australian National University has been calculated at 31 December 2020 as its reporting period is from 1 January to 31 December.

Source: ANAO analysis of annual reports published in 2020–21.

3.7 Table 3.4 shows the 13 largest governing boards in 2020–21 (those having 11 or more board members), of which nine are of the maximum size outlined in their relevant enabling legislation or company constitution.

Table 3.4: Thirteen largest governing boards as at 30 June 2021

Name of entity	Portfolio	Governing board size ^a	Maximum governing board size ^b
Torres Strait Regional Authority	Prime Minister and Cabinet	20	23
Australian National University ^c	Education, Skills and Employment	15	15
Australian Curriculum, Assessment and Reporting Authority	Education, Skills and Employment	13	13
Australian War Memorial	Veterans' Affairs (part of the Defence portfolio)	13	13
Australian National Maritime Museum	Infrastructure, Transport, Regional Development and Communications	12	12
Australian Strategic Policy Institute Ltd	Defence	12	12
Food Standards Australia New Zealand	Health	12	12
Infrastructure Australia	Infrastructure, Transport, Regional Development and Communications	12	12
Australia Council	Infrastructure, Transport, Regional Development and Communications	11	12
Australian Digital Health Agency	Health	11	11
National Gallery of Australia	Infrastructure, Transport, Regional Development and Communications	11	11
National Library of Australia	Infrastructure, Transport, Regional Development and Communications	11	12
Australian Institute of Health and Welfare	Health	11	N/A

Note a: For each individual board, a board member is considered to be a member of the board at 30 June 2021 if they have not been explicitly stated to have ceased or have not reported a cessation date prior to 1 July 2021.

Note b: Figures are based on the ANAO's interpretation of maximum governing board size based on analysis of enabling legislation and company constitutions (refer paragraph 2.6).

Note c: Figures have been calculated at 31 December 2020 as the Australian National University's reporting period is from 1 January to 30 December.

Source: ANAO analysis of annual reports published in 2020–21.

3.8 Table 3.5 shows the seven smallest governing boards in 2020–21, of which two are of the minimum size outlined in their relevant enabling legislation. Only the Indigenous Land and Sea Corporation did not meet their minimum board size requirements at the end of the 2020–21 reporting period.³⁰ A further 10 boards consisted of six members.

Table 3.5: Seven smallest governing boards as at 30 June 2021

Name of entity	Portfolio	Governing board size ^a	Minimum governing board size ^b
Tertiary Education Quality and Standards Agency	Education, Skills and Employment	3	2
Regional Investment Corporation	Agriculture, Water and the Environment	3	3
Royal Australian Air Force Veterans Residences Trust Fund	Defence	4	3
Australian Institute for Teaching and School Leadership Limited	Education, Skills and Employment	5	N/A
National Capital Authority	Infrastructure, Transport, Regional Development and Communications	5	5
RAAF Welfare Recreational Company	Defence	5	N/A
Indigenous Land and Sea Corporation	Prime Minister and Cabinet	5	7

Note a: For each individual board, a board member is considered to be a member of the board at 30 June 2021 if they have not been explicitly stated to have ceased or have not reported a cessation date prior to 1 July 2021.

Note b: Figures are based on the ANAO's interpretation of minimum governing board size based on analysis of enabling legislation and company constitutions (refer paragraph 2.6).

Source: ANAO analysis of annual reports published in 2020–21.

Board gender diversity

3.9 The PGPA Rule, *Corporations Act 2001* and resource management guides do not outline any legislative requirements or guidance for gender diversity in board composition. The Office for Women prepares reports on gender balance on Australian Government boards annually, which includes a broader scope of boards than this information report and uses a different approach for identifying gender.³¹ The Gender Balance on Australian Government Boards Report 2020–21 states:

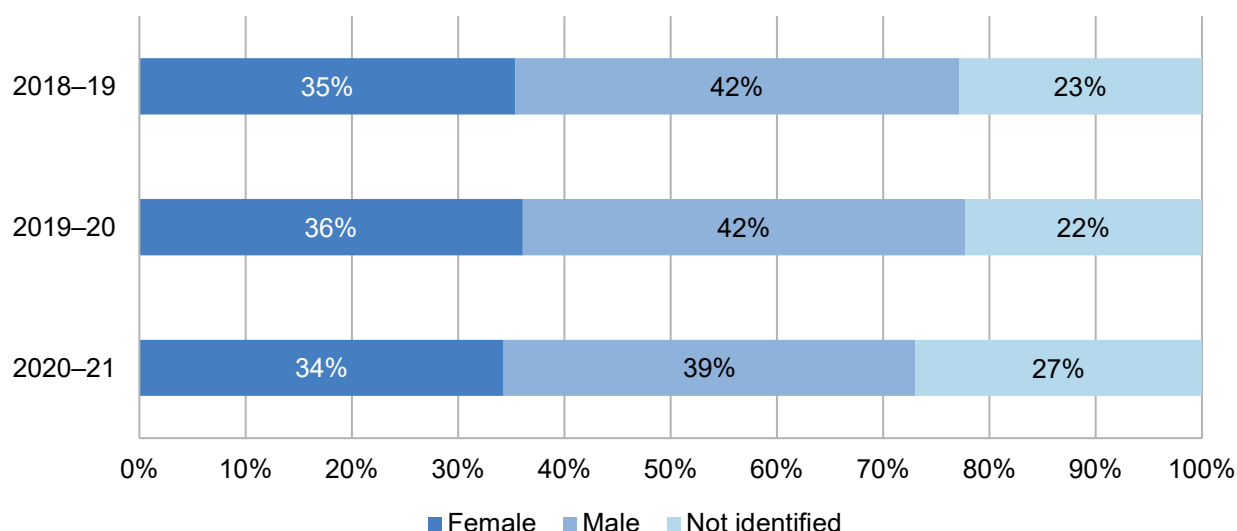
30 The 2020–21 annual report for the Indigenous Land and Sea Corporation noted a resignation on 9 February 2021 and a vacancy carried over from June the previous financial year.

31 In addition to entities covered by the PGPA Act, the gender balance report also includes boards that are a ministerial advisory committee, review committee or Commonwealth statutory authority. The Office for Women advised the ANAO that the gender balance report uses self-identified gender information.

The Australian Government is working towards a gender diversity target of women holding 50 per cent of Government board positions overall, and women and men each holding at least 40 per cent of positions at the individual board level. These targets took effect from 1 July 2016.³²

3.10 The ANAO identified the gender of a governing board member by examining the pronouns used to describe the skills, experience and qualifications of a member in annual reports.³³ Between 2018–19 and 2020–21, there were 562 occupied board positions (24 per cent) for which gender could not be identified. Based on the data available, the gender composition of boards has remained relatively stable over the three reporting periods.

Figure 3.1: Gender composition of governing boards



Note: The 562 occupied board positions for which gender could not be identified have been included in determining the proportion of female or male membership.

Source: ANAO analysis of annual reports published between 2018–19 and 2020–21.

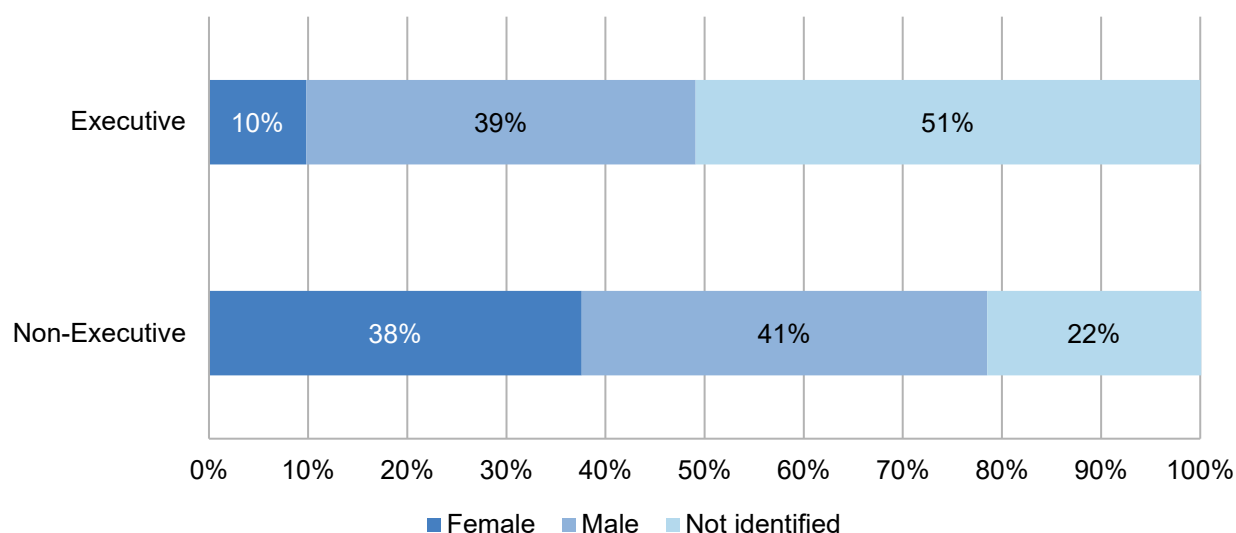
3.11 Corporate Commonwealth entities and companies are required to report on whether their governing board members have executive or non-executive status (refer Table 3.1).³⁴ The 2340 occupied governing board positions were filled by 932 individuals between 2018–19 and 2020–21. Of these 932 individuals, 91 did not have an explicitly reported executive status. Of the 1598 occupied board positions for which both gender and executive status could be identified, on average, females comprise 10 per cent of all executive board members listed in annual reports between 2018–19 and 2020–21, and comprise 38 per cent of all non-executive members.

32 Department of the Prime Minister and Cabinet, *Gender Balance on Australian Government Boards* [Internet], Department of the Prime Minister and Cabinet, available from <https://www.pmc.gov.au/office-women/leadership/gender-balance-australian-government-boards> [accessed 18 March 2022].

33 The ANAO relied on publicly available annual reports and did not contact individual members to verify their gender.

34 Executive members are members who play a direct part in the organisation's operation such as the Managing Director.

Figure 3.2: Gender composition of governing board members by executive status



Note: This figure represents the total proportion between 2018–19 and 2020–21.

Source: ANAO analysis of annual reports published between 2018–19 and 2020–21.

3.12 Of the top 10 boards by proportion of female membership, seven had at least 67 per cent female membership (refer Table 3.6). Of the top 10 boards by proportion of male membership, nine had at least 67 per cent male membership, with four governing boards having 75 per cent or greater male membership (refer Table 3.7).

Table 3.6: Top 10 governing boards by proportion of female membership as at 30 June 2021

Name of entity	Portfolio	Proportion (number) of members identified as female	Proportion (number) of members identified as male	Proportion (number) of members whose gender could not be identified
Regional Investment Corporation	Agriculture, Water and the Environment	100% (3)	0% (0)	0% (0)
Australian Commission on Safety and Quality in Health Care	Health	88% (7)	12% (1)	0% (0)
Australian Institute of Marine Science	Industry, Science, Energy and Resources	71% (5)	29% (2)	0% (0)
Clean Energy Finance Corporation	Industry, Science, Energy and Resources	71% (5)	29% (2)	0% (0)
Wine Australia	Agriculture, Water and the Environment	71% (5)	29% (2)	0% (0)
Australian Reinsurance Pool Corporation	Treasury	67% (4)	33% (2)	0% (0)

Name of entity	Portfolio	Proportion (number) of members identified as female	Proportion (number) of members identified as male	Proportion (number) of members whose gender could not be identified
Civil Aviation Safety Authority	Infrastructure, Transport, Regional Development and Communications	67% (4)	33% (2)	0% (0)
Australian Institute of Health and Welfare	Health	64% (7)	36% (4)	0% (0)
Financial Adviser Standards and Ethics Authority Ltd	Treasury	62% (5)	25% (2)	12% (1)
National Film and Sound Archive of Australia	Infrastructure, Transport, Regional Development and Communications	57% (4)	43% (3)	0% (0)

Note: Figures may not sum to 100% due to rounding.

Source: ANAO analysis of annual reports published in 2020–21.

Table 3.7: Top 10 governing boards by proportion of male membership as at 30 June 2021

Name of entity	Portfolio	Proportion (number) of members identified as female	Proportion (number) of members identified as male	Proportion (number) of members whose gender could not be identified
Australian Naval Infrastructure Pty Ltd	Finance	17% (1)	83% (5)	0% (0)
Australian Institute for Teaching and School Leadership Limited	Education, Skills and Employment	20% (1)	80% (4)	0% (0)
Sydney Harbour Federation Trust	Agriculture, Water and the Environment	25% (1)	75% (3)	0% (0)
Torres Strait Regional Authority	Prime Minister and Cabinet	25% (5)	75% (15)	0% (0)
Australian War Memorial	Veterans' Affairs (part of the Defence portfolio)	31% (4)	69% (9)	0% (0)
Food Standards Australia New Zealand	Health	25% (3)	67% (8)	8% (1)
Australian National Maritime Museum	Infrastructure, Transport, Regional Development and Communications	33% (4)	67% (8)	0% (0)
National Museum of Australia	Infrastructure, Transport, Regional Development and Communications	33% (3)	67% (6)	0% (0)

Name of entity	Portfolio	Proportion (number) of members identified as female	Proportion (number) of members identified as male	Proportion (number) of members whose gender could not be identified
Tertiary Education Quality and Standards Agency	Education, Skills and Employment	33% (1)	67% (2)	0% (0)
Australian Maritime Safety Authority	Infrastructure, Transport, Regional Development and Communications	25% (2)	62% (5)	12% (1)

Note: Figures may not sum to 100% due to rounding.

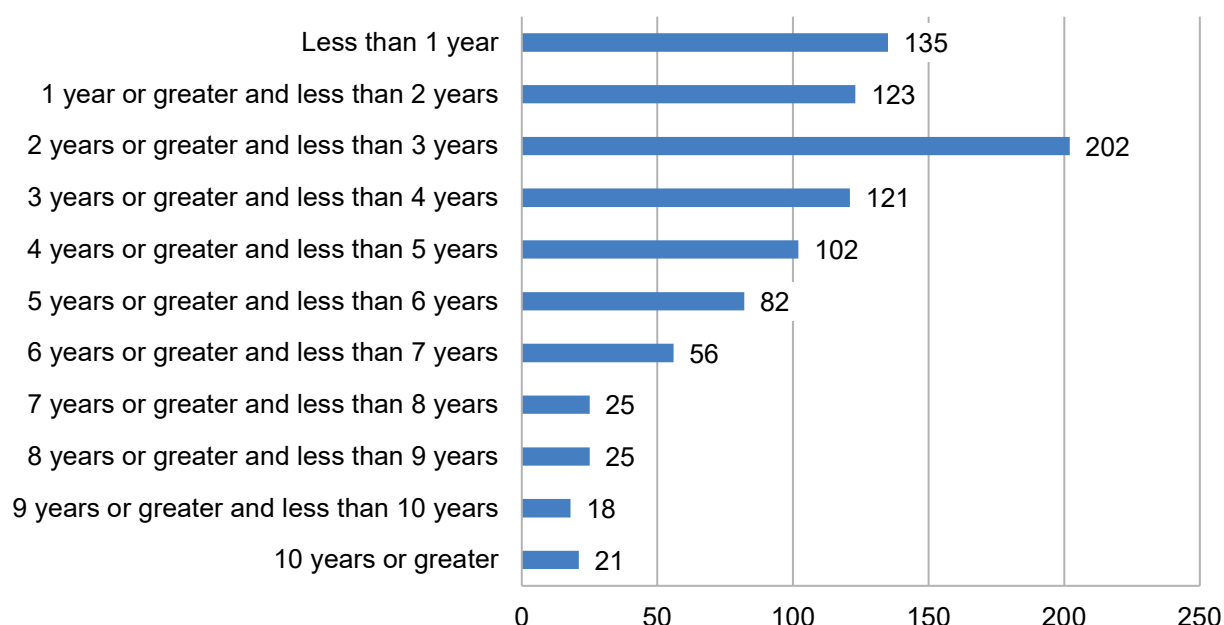
Source: ANAO analysis of annual reports published in 2020–21.

Board service length

3.13 Commencement and cessation dates were available for 910 occupied board positions to determine the member's period of appointment. Of the 910 board positions, 64 per cent served on a board for four years or less.³⁵ Figure 3.3 shows that the length served by governing board members can vary widely, with the longest period served approximately 29 years. The shortest length served was three days.³⁶ The average length served by a governing board member reported between 2018–19 and 2020–21 was 3.7 years.

35 For members who were present within an entity's annual report across multiple reporting periods, only their most recently reported data was used. All members who were listed in an entity's 2020–21 annual report and were not reported as having ceased their membership were assumed to be members at 30 June 2021. The ANAO also assumed a cessation date of 30 June 2021 if the reported cessation date was after 30 June 2021. This means that the average number of years served on a governing board may not be accurate for boards without sufficient information on a member's period of appointment.

36 This is a result of the member joining the board on 27 June 2021.

Figure 3.3: Distribution of governing board members' service length (years)

Source: ANAO analysis of annual reports published between 2018–19 and 2020–21.

3.14 Of the top 10 governing boards by members' average service length, five boards include members who have served for at least 10 years (refer Table 3.8).

Table 3.8: Top 10 governing boards by members' average service length (years)

Name of entity	Portfolio	Average service length (years)
ASC Pty Ltd	Finance	6.1
Special Broadcasting Service Corporation	Infrastructure, Transport, Regional Development and Communications	6.0
National Portrait Gallery of Australia	Infrastructure, Transport, Regional Development and Communications	6.0
Commonwealth Superannuation Corporation (CSC)	Finance	5.6
Australian Nuclear Science and Technology Organisation	Industry, Science, Energy and Resources	5.3
Australian Rail Track Corporation Limited	Infrastructure, Transport, Regional Development and Communications	5.2
Wreck Bay Aboriginal Community Council	Prime Minister and Cabinet	5.1
Commonwealth Scientific and Industrial Research Organisation	Industry, Science, Energy and Resources	5.1
Royal Australian Air Force Welfare Trust Fund	Defence	5.1
Sydney Harbour Federation Trust	Agriculture, Water and the Environment	5.0

Source: ANAO analysis of annual reports published between 2018–19 and 2020–21.

3.15 Of the bottom 10 governing boards by members' average service length, nine had at least one board member with a service length of less than one year (refer Table 3.9). The shortest service length reported for the Financial Adviser Standards and Ethics Authority Ltd was 1.6 years.

Table 3.9: Bottom 10 governing boards by members' average service length (years)

Name of entity	Portfolio	Average service length (years)
Indigenous Business Australia	Prime Minister and Cabinet	1.0 ^a
Australian Film, Television and Radio School	Infrastructure, Transport, Regional Development and Communications	1.8
Financial Adviser Standards and Ethics Authority Ltd	Treasury	2.0
Australian Institute of Aboriginal and Torres Strait Islander Studies	Prime Minister and Cabinet	2.2
AAF Company	Defence	2.2
Royal Australian Navy Central Canteens Board	Defence	2.3
National Library of Australia	Infrastructure, Transport, Regional Development and Communications	2.4
Australian Digital Health Agency	Health	2.4
Royal Australian Navy Relief Trust Fund	Defence	2.4
Civil Aviation Safety Authority	Infrastructure, Transport, Regional Development and Communications	2.4

Note a: There were two board members of Indigenous Business Australia for which a commencement and cessation date could be found. Both had a service length of less than 1.2 years.

Source: ANAO analysis of annual reports published between 2018–19 and 2020–21.

3.16 Due to variability in governing board member position titles to describe a member's role or responsibility, the ANAO performed analysis by mapping the reported position titles using the list in Appendix 2. Chairs (or equivalent) on governing boards have an average service length that is 1.5 years longer than general members (refer Table 3.10).

Table 3.10: Governing board members' average service length by board position title

Title ^a	Number of board positions	Average service length (years)
Chair or chair-equivalent	97	4.9
Deputy chair or deputy chair-equivalent	38	4.7
Member	694	3.4
CEO	52	4.2
Trustee	28	3.6
Ex-Officio	1	3.2
Total	910	3.7

Note a: This analysis is based on the ANAO's mapping of reported position titles and only includes occupied board positions for which commencement and cessation dates were available to determine the member's period of appointment.

Source: ANAO analysis of annual reports published between 2018–19 and 2020–21.

3.17 Analysis of the executive status of governing board members shows no significant difference in average service length (refer Table 3.11).

Table 3.11: Governing board members' average service length by executive status

Executive status	Number of board positions	Average service length (years)
Executive	91	4.1
Non-executive	744	3.6

Note: This analysis only includes occupied board positions for which both executive status and commencement and cessation dates were available to determine the member's period of appointment.

Source: ANAO analysis of annual reports published between 2018–19 and 2020–21.

Turnover

3.18 The ANAO calculated an annual turnover rate for each reporting period by dividing the number of board member cessations by the number of members sitting at the beginning of the period. For the purposes of this analysis, the average turnover rate is the average of these figures across the three reporting periods.

3.19 Table 3.12 shows that over half of the top 10 governing boards by average turnover rate are within the Defence and Prime Minister and Cabinet portfolios. The Australian Film, Television and Radio School had the highest average turnover rate (44 per cent).

Table 3.12: Top 10 governing boards by average turnover rate

Name of entity	Portfolio	Average turnover rate ^a
Australian Film, Television and Radio School	Infrastructure, Transport, Regional Development and Communications	44%
AAF Company	Defence	37%
RAAF Welfare Recreational Company	Defence	37%
Royal Australian Navy Central Canteens Board	Defence	36%
Indigenous Land and Sea Corporation	Prime Minister and Cabinet	35%
Aboriginal Hostels Limited	Prime Minister and Cabinet	34%
Australian Curriculum, Assessment and Reporting Authority	Education, Skills and Employment	32%
Australian Institute of Aboriginal and Torres Strait Islander Studies	Prime Minister and Cabinet	32%
Australian Institute for Teaching and School Leadership Limited	Education, Skills and Employment	31%
Australian Military Forces Relief Trust Fund	Defence	31%

Note a: Turnover for a given entity in a given year is calculated as the number of cessations as a proportion of members who were occupying a position on 1 July for that reporting period. This is then averaged across the three reporting periods.

Source: ANAO analysis of annual reports published between 2018–19 and 2020–21.

3.20 Table 3.13 shows five governing boards with no turnover between 2018–19 and 2020–21.

Table 3.13: Governing boards with no turnover

Name of entity	Portfolio
Clean Energy Finance Corporation	Industry, Science, Energy and Resources
National Housing Finance and Investment Corporation (NHFIC)	Treasury
National Portrait Gallery of Australia	Infrastructure, Transport, Regional Development and Communication
Royal Australian Air Force Veterans Residences Trust Fund	Defence
WSA Co Ltd	Infrastructure, Transport, Regional Development and Communication

Source: ANAO analysis of cessations reported in annual reports published between 2018–19 and 2020–21.

3.21 The average turnover rate of governing board members for NCEs (11 per cent) is lower than CCEs (19 per cent) and Commonwealth companies (18 per cent) (refer Table 3.14).

Table 3.14: Governing board members' average turnover rate by entity type

Type of entity	Average turnover rate ^a
NCEs	11%
CCEs	19%
Commonwealth companies	18%

Note a: Turnover for a given entity type in a given year is calculated as the number of cessations as a proportion of members who were occupying a position on 1 July for that reporting period. This is then averaged across the three reporting periods.

Source: ANAO analysis of annual reports published between 2018–19 and 2020–21.

Board member qualifications

3.22 The ANAO identified qualifications of governing board members based on a quantitative analysis of qualifications that were explicitly reported in annual reports. Analysis of these qualifications were based on the levels of qualifications outlined in the Australian Qualifications Framework.³⁷ While some boards may require members with specific qualifications, some may look for specific knowledge or experience (such as experience in Aboriginal or Torres Strait Islander community life). The ANAO analysis did not include whether board members had equivalent skills or experiences in line with these qualifications.

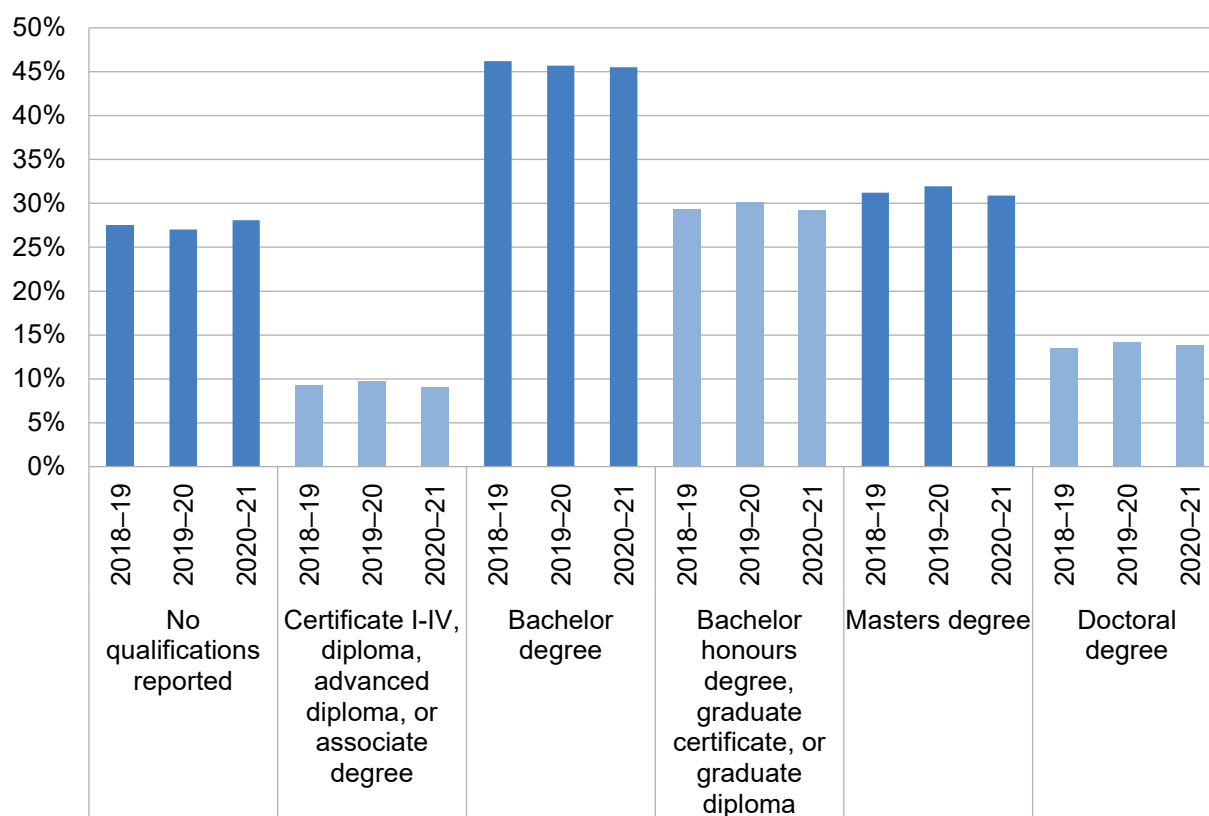
3.23 Of the 2340 occupied governing board positions between 2018–19 and 2020–21, information regarding the experience and qualifications of the individual holding the board position was not available for 36 positions (1.5 per cent). These positions were excluded from further

37 Australian Qualifications Framework, *Australian Qualifications Framework Second Edition January 2013*, Australian Qualifications Framework Council, South Australia, 2013.

analysis. Where information regarding the experience or qualifications of an individual occupying a board position was provided, but specific qualifications were not identifiable, the position was considered to have no reported qualification for analysis purposes.

3.24 Figure 3.4 shows the proportion of reported qualifications by financial year, noting one board position can appear in more than one educational level if multiple qualifications were identified.³⁸ The proportion of reported qualifications in each category were largely consistent over time. Overall, 28 per cent of occupied governing board positions analysed did not report any identifiable qualifications and 70 per cent were reported to have a bachelor's degree or above.

Figure 3.4: Reported qualifications by financial year



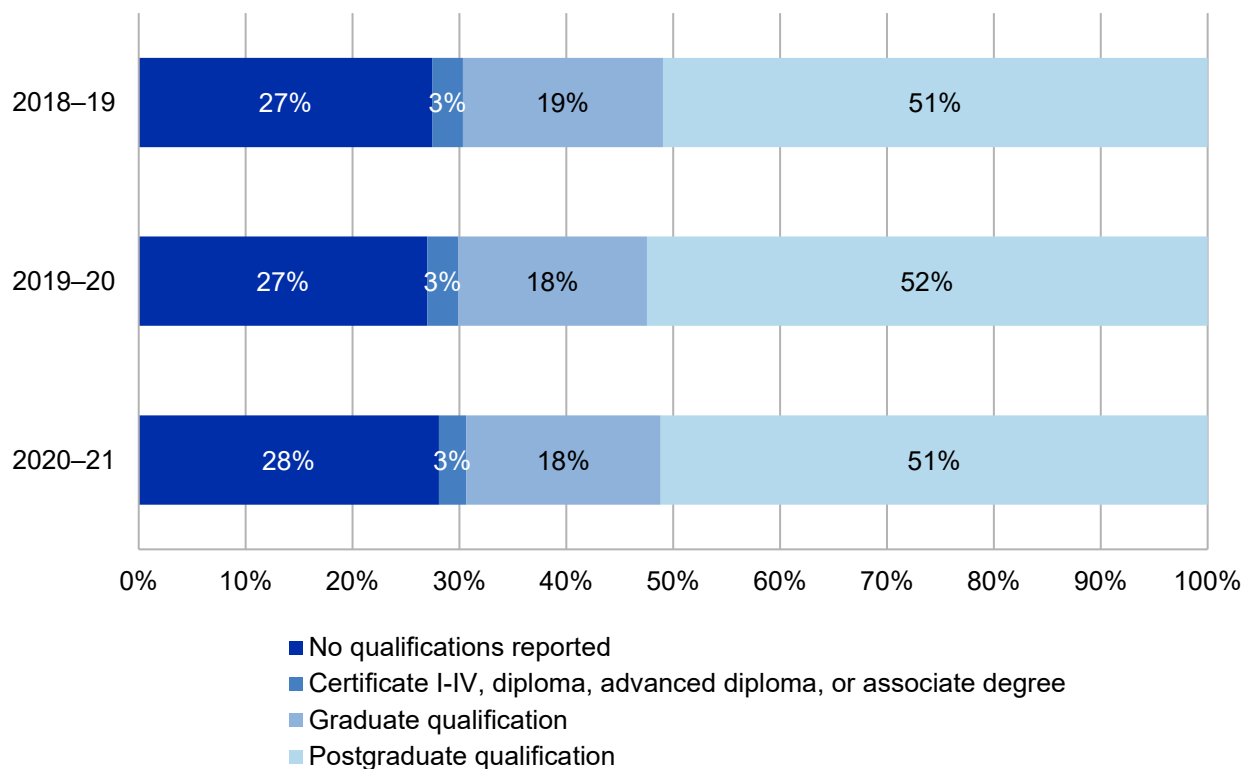
Note: This presents all qualifications that could be identified by the ANAO in annual reports between 2018–19 and 2020–21. Where a governing board member has more than one qualification in the same category, these are counted only once.

Source: ANAO analysis of annual reports published between 2018–19 and 2020–21.

3.25 Figure 3.5 shows the highest reported qualification of occupied board positions by financial year. More than half of the governing board positions occupied by members with identifiable qualifications have held postgraduate qualifications in each of the financial years between 2018–19 and 2020–21.

38 Qualifications were collated across the three reporting periods, but not across different entities where an individual was a governing board member of more than one entity. This assumes that the qualifications of an individual holding a governing board position over multiple reporting periods were equivalent across the reporting periods.

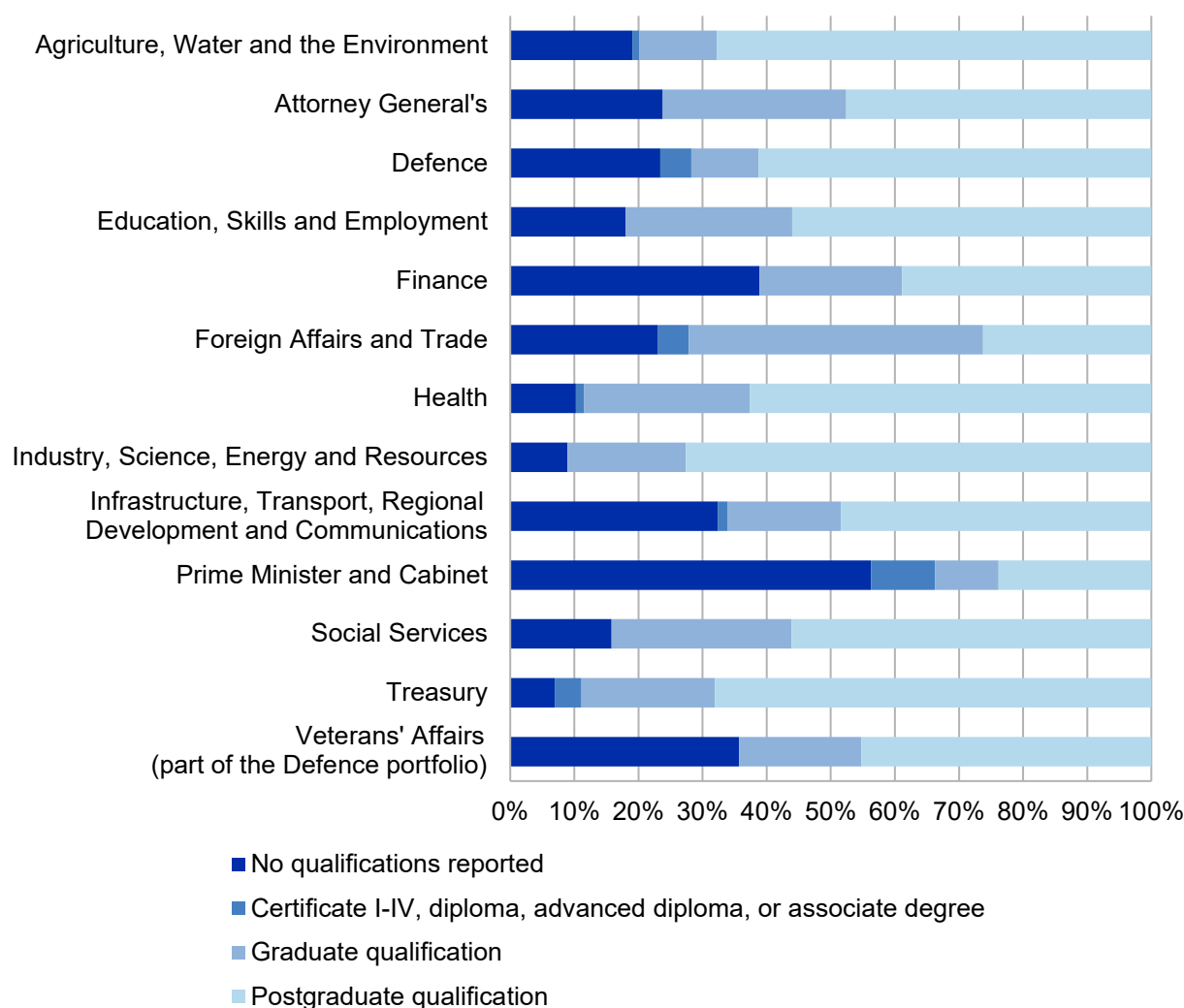
Figure 3.5: Highest reported qualification of occupied governing board positions



Note: Based on the levels outlined in the Australian Qualifications Framework, the ANAO has defined a graduate qualification as a bachelor's degree, and a postgraduate qualification as a bachelor's degree with honours; graduate certificate; graduate diploma; master's degree and doctoral degree.

Source: ANAO analysis of annual reports published between 2018-19 and 2020-21.

3.26 Figure 3.6 shows the highest reported qualification of occupied board positions by portfolio. The Prime Minister and Cabinet portfolio had the highest proportion of board positions with no reported qualifications (56 per cent) while the Treasury portfolio had the lowest (7 per cent). The Industry, Science, Energy and Resources portfolio had the highest proportion of board positions with a postgraduate qualification (73 per cent) and the Prime Minister and Cabinet portfolio had the lowest (24 per cent).

Figure 3.6: Highest reported qualification of occupied governing board positions by portfolio

Note: Based on the levels outlined in the Australian Qualifications Framework, the ANAO has defined a graduate qualification as a bachelor's degree, and a postgraduate qualification as a bachelor with honours; graduate certificate; graduate diploma; master's degree and doctoral degree.

Source: ANAO analysis of annual reports published between 2018–19 and 2020–21.

Non-executive board member remuneration

3.27 The total remuneration of a governing board member is comprised of their base salary, short-term incentives including bonuses, superannuation, long-service leave and other long-term incentives. The Remuneration Tribunal determines the remuneration of board members, where the board member occupies a position that meets the definition of a public office under the *Remuneration Tribunal Act 1973*, or where the position has been referred to the Remuneration Tribunal.³⁹

39 The Remuneration Tribunal is the independent statutory body that handles the remuneration of key Australian Government offices. Remuneration Tribunal, *Remuneration Tribunal* [Internet], Remuneration Tribunal, Australia, available from <https://www.remtribunal.gov.au/about-us> [accessed 7 October 2021].

3.28 The ANAO analysed the remuneration of non-executive board members. Executive members have been excluded as they receive remuneration for responsibilities outside their board duties. The ANAO did not analyse the remuneration of every board member, as two entities reported board member remuneration in aggregate.⁴⁰ An additional 10 entities do not have paid governing board members.⁴¹

3.29 Table 3.15 shows that the remuneration of paid non-executive governing board members in 2020–21 was generally less than \$60,000 (324 individuals or 59 per cent). There were 60 individuals who received \$100,000 or more in 2020–21.

Table 3.15: Distribution of non-executive governing board members' remuneration in 2020–21

Remuneration (\$)	Number of board positions	Proportion of total
Unpaid	41	7%
Greater than 0 and less than 20,000	120	22%
Greater than or equal to 20,000 and less than 40,000	120	22%
Greater than or equal to 40,000 and less than 60,000	84	15%
Greater than or equal to 60,000 and less than 80,000	81	14%
Greater than or equal to 80,000 and less than 100,000	51	9%
Greater than or equal to 100,000	60	11%
Total	557	100%

Source: ANAO analysis of annual reports published in 2020–21.

3.30 Table 3.16 shows that the average remuneration of non-executive governing board members of Commonwealth companies is greater than Commonwealth entities in 2020–21.

Table 3.16: Remuneration of non-executive governing board members by entity type in 2020–21

	Number of board positions	Average remuneration (\$)	Median remuneration (\$)	Total remuneration (\$)
NCEs	14	63,102	28,215	883,434
CCEs	441	43,612	36,295	19,233,100
Commonwealth companies	102	66,186	53,949	6,751,013
Total	557	48,236	37,678	26,867,547

Note: This analysis accounts for all non-executive members, including those who joined or retired from boards in the given timeframe.

40 The two entities are Army and Air Force Canteen Service (Frontline Defence Services); and Wreck Bay Aboriginal Community Council.

41 The ten entities are: Australian Military Forces Relief Trust Fund; Royal Australian Air Force Veterans' Residences Trust Fund; Royal Australian Air Force Welfare Trust Fund; Royal Australian Navy Relief Trust Fund; Bundanon Trust; AAF Company; RAAF Welfare Recreational Company; Royal Australian Navy Central Canteens Board; Creative Partnerships Australia Ltd; and the National Australia Day Council Limited.

Source: ANAO analysis of annual reports published between 2018–19 and 2020–21.

3.31 Table 3.17 shows the top 10 portfolios by total non-executive board members' remuneration in 2020–21. The Finance portfolio has the highest average individual remuneration (\$96,208) and the Prime Minister and Cabinet portfolio has the lowest (\$30,218).

Table 3.17: Top 10 portfolios by total non-executive governing board members' remuneration in 2020–21

Portfolio	Number of board positions	Total reported remuneration (\$)	Maximum individual remuneration (\$)	Average individual remuneration (\$)
Infrastructure, Transport, Regional Development and Communications	194	10,710,937	248,488	55,211
Industry, Science, Energy and Resources	48	3,434,086	248,683	71,543
Prime Minister and Cabinet	83	2,508,079	284,084	30,218
Agriculture, Water and the Environment	61	2,127,045	94,143	34,870
Finance	20	1,924,160	182,088	96,208
Health	34	1,244,595	130,085	36,606
Social Services	18	1,168,808	162,610	64,934
Education, Skills and Employment	28	1,053,782	177,870	37,635
Foreign Affairs and Trade	20	1,041,724	130,502	52,086
Treasury	22	933,006	121,392	42,409

Note: This analysis accounts for all non-executive members, including those who joined or retired from boards in the given timeframe.

Source: ANAO analysis of annual reports published between 2018–19 and 2020–21.

3.32 Table 3.18 shows the top 10 entities by total non-executive board members' remuneration in 2020–21. Six of the top 10 entities are within the Infrastructure, Transport, Regional Development and Communications portfolio. Snowy Hydro Limited has both the highest total reported remuneration and average individual remuneration for non-executive members in 2020–21.

Table 3.18: Top 10 entities by total non-executive governing board members' remuneration in 2020–21

Name of entity	Number of board positions	Total reported remuneration (\$)	Maximum individual remuneration (\$)	Average individual remuneration (\$)
Snowy Hydro Limited	8	1,152,477	248,683	144,060
Australian Postal Corporation	8	1,063,232	211,137	132,904
NBN Co Limited	8	1,023,505	248,488	127,938
National Disability Insurance Scheme Launch Transition Agency ^a	10	881,205	162,610	88,121

Name of entity	Number of board positions	Total reported remuneration (\$)	Maximum individual remuneration (\$)	Average individual remuneration (\$)
Infrastructure Australia	12	848,263	130,502	70,689
Commonwealth Superannuation Corporation	9	832,659	154,198	92,518
Airservices Australia	10	809,662	192,858	80,966
WSA Co Ltd	7	795,077	182,088	113,582
Australian Rail Track Corporation Limited	7	772,144	182,788	110,306
Commonwealth Scientific and Industrial Research Organisation	9	728,569	159,439	80,952

Note a: The National Disability Insurance Scheme Launch Transition Agency has been renamed the National Disability Insurance Agency from 8 April 2022.

Source: ANAO analysis of annual reports published between 2018–19 and 2020–21.

3.33 Table 3.19 shows the top 10 board members by remuneration who were paid a total of \$2,105,434. All 10 individuals held the Chair position title on each governing board. Of these 10, six individuals occupied positions on boards within the Infrastructure, Transport, Regional Development and Communications portfolio.

3.34 The two lowest paid individuals in 2020–21 both occupied positions on the Australian Renewable Energy Agency governing board. Both individuals received less than \$1,500 and ceased their engagement with the entity less than one month into the reporting period.

Table 3.19: Top 10 governing board members' remunerations in 2020-21

Board	Role	Portfolio	Total remuneration (\$)
Torres Strait Regional Authority	Chair	Prime Minister and Cabinet	284,084
Snowy Hydro Limited	Chair	Industry, Science, Energy and Resources	248,683
NBN Co Limited	Chair	Infrastructure, Transport, Regional Development and Communications	248,488
Australian Postal Corporation	Chair	Infrastructure, Transport, Regional Development and Communications	211,137
Australian Broadcasting Corporation	Chair	Infrastructure, Transport, Regional Development and Communications	195,350
Airservices Australia	Chair	Infrastructure, Transport, Regional Development and Communications	192,858
Australian Rail Track Corporation Limited	Chair	Infrastructure, Transport, Regional Development and Communications	182,788
ASC Pty Ltd	Chair	Finance	182,088
WSA Co Ltd	Chair	Infrastructure, Transport, Regional Development and Communications	182,088

Board	Role	Portfolio	Total remuneration (\$)
Tertiary Education Quality and Standards Agency	Chair	Education, Skills and Employment	177,870

Source: ANAO analysis of annual reports published in 2020–21.

3.35 Table 3.20 shows that Chair (or equivalent) board members are paid at, on average, over double the rate of their Deputy-Chair (or equivalent) and general member counterparts. There is minimal difference between the average remuneration of Deputy-Chairs and members.

Table 3.20: Remuneration of non-executive governing board members by position title in 2020–21

Title ^a	Number of board positions	Total reported remuneration (\$)	Maximum individual remuneration (\$)	Average individual remuneration (\$)	Median individual remuneration (\$)
Chair (or equivalent)	65	6,681,280	284,084	102,789	87,520
Deputy-chair (or equivalent)	30	1,385,513	129,707	46,184	40,788
Member	462	18,800,718	148,914	40,694	30,370

Note a: This analysis is based on ANAO's mapping of reported position titles and accounts for all non-executive members, including those who joined or retired from boards in the given timeframe.

Source: ANAO analysis of annual reports published in 2020–21.

Board meeting attendance

3.36 Annual reports are required by the PGPA Rule to include the number of meetings attended by members of the accountable authority or director during each reporting period. There is no requirement to provide the total number of possible meetings each member could have attended in each reporting period.

3.37 The ANAO analysed the meeting attendance of the governing boards of the 77 entities that reported both the meetings attended by board members and the total number of possible meetings to attend. Three entities did not provide information regarding their total number of possible meetings in each reporting period and as such were excluded from this analysis.⁴²

3.38 Table 3.21 shows the aggregated average meeting attendance rates across all boards, with an average attendance rate of 92 per cent across all reporting periods. Non-corporate Commonwealth entities have the highest meeting attendance rate with the average member attending 98 per cent of possible board meetings between 2018–19 and 2020–21.

42 The three entities are: Wreck Bay Aboriginal Community Council; Tertiary Education Quality and Standards Agency and the Organ and Tissue Authority.

Table 3.21: Governing board members' average meeting attendance rate by entity type between 2018–19 and 2020–21

	Number of board positions	Average meeting attendance rate ^a
NCEs	16	98%
CCEs	1693	92%
Commonwealth companies	475	91%

Note a: This has been calculated as an aggregated average of meetings attended between 2018–19 and 2020–21.

Source: ANAO analysis of annual reports published between 2018–19 and 2020–21.

3.39 Table 3.22 shows that executive members or members of higher positions within a governing board have higher attendance rates than non-executive members. Trustees were observed to attend approximately 77 per cent of board meetings.

Table 3.22: Governing board members' average meeting attendance rate by position title between 2018–19 and 2020–21

Title ^a	Number of board positions	Average meeting attendance rate ^b
CEO	107	99%
Chair	245	98%
Deputy-Chair	113	93%
Ex-Officio	3	100%
Member	1658	91%
Trustee	58	77%

Note a: This analysis is based on ANAO's mapping of reported position titles.

Note b: This has been calculated as an aggregated average of meetings attended between 2018–19 and 2020–21.

Source: ANAO analysis of annual reports published between 2018–19 and 2020–21.

3.40 Table 3.23 and Table 3.24 show the top and bottom 10 governing boards by members' average meeting attendance rate. Of the bottom 10 boards for average meeting attendance rate, five comprise of members with no reported remuneration.⁴³

Table 3.23: Top 10 governing boards by members' average meeting attendance rate between 2018–19 and 2020–21

Entity	Number of board positions	Average meeting attendance rate ^a
Cotton Research and Development Corporation	29	99%
Army and Air Force Canteen Service (Frontline Defence Services)	22	99%
Hearing Australia	23	99%
Australian Broadcasting Corporation	32	99%
Snowy Hydro Limited	30	99%

43 The five entities are: Royal Australian Air Force Welfare Trust Fund; National Australia Day Council Limited; RAAF Welfare Recreational Company; Royal Australian Air Force Veterans Residences Trust Fund and Royal Australian Navy Relief Trust Fund.

Entity	Number of board positions	Average meeting attendance rate ^a
WSA Co Ltd	19	99%
Australian Maritime Safety Authority	20	98%
Tourism Australia	29	98%
Civil Aviation Safety Authority	24	98%
Australian Institute of Marine Science	23	98%

Note a: This has been calculated as an aggregated average of meetings attended between 2018–19 and 2020–21.
Source: ANAO analysis of annual reports published between 2018–19 and 2020–21.

Table 3.24: Bottom 10 governing boards by members' average meeting attendance rate between 2018–19 and 2020–21

Entity	Number of board positions	Average meeting attendance rate ^a
Royal Australian Air Force Welfare Trust Fund	25	71%
Australian Digital Health Agency	38	74%
National Australia Day Council Limited	30	78%
RAAF Welfare Recreational Company	22	81%
Australian Commission on Safety and Quality in Health Care	31	81%
Royal Australian Air Force Veterans Residences Trust Fund	12	83%
Australian Strategic Policy Institute Ltd	41	84%
Australian War Memorial	28	85%
Screen Australia	26	85%
Royal Australian Navy Relief Trust Fund	25	85%

Note a: This has been calculated as an aggregated average of meetings attended between 2018–19 and 2020–21.
Source: ANAO analysis of annual reports published between 2018–19 and 2020–21.

Members of multiple governing boards

3.41 Of the 932 individuals that served on the governing boards of Commonwealth entities and companies between 2018–19 and 2020–21, 63 individuals occupied positions on multiple governing boards within a single reporting period. Of these 63 individuals, 56 occupied positions on two boards and seven individuals occupied positions on three boards.⁴⁴ No individual served on more than three governing boards of Commonwealth entities and companies during these three reporting periods.

⁴⁴ As discussed in paragraph 1.11, the ANAO did not examine whether board members served on other boards, such as advisory boards, during these reporting periods as these boards are outside the scope of this report.

4. Observations regarding data on governing board memberships

4.1 In compiling this report, the ANAO used data that is publicly available at no cost on the governing board membership of Commonwealth entities and companies from multiple sources (refer Table 1.1). The ANAO did not verify the completeness or accuracy of data from annual reports or the Transparency Portal, which is self-reported by Commonwealth entities and companies. This report does not conclude on the compliance of Commonwealth entities or companies with requirements regarding the reporting of this data. This chapter summarises observations made by the ANAO that may be relevant in understanding the extent of analysis that is possible using publicly available data on the governing boards of Commonwealth entities and companies.

Transparency Portal

4.2 As outlined in paragraph 1.5, the Transparency Portal is a digital reporting tool administered by the Minister for Finance. The Public Governance, Performance and Accountability Rule 2014 (PGPA Rule) requires non-corporate Commonwealth entities (NCEs), corporate Commonwealth entities (CCEs) and Commonwealth companies to publish annual reports using the tool.⁴⁵ From the 2018–19 reporting period, all annual reports were to be published on and accessible from the Transparency Portal shortly after the presentation of these reports to the Parliament.

4.3 The Department of Finance (Finance) has created a collection of templates for standard datasets that must be completed for each entity's annual report. These templates were designed to populate the Transparency Portal 'Find Data' function, which displays both non-financial and financial information. As of January 2022, there were 23 non-financial datasets and 13 financial datasets available online for viewing mandatory PGPA Rule-related information.

4.4 Of the 23 non-financial datasets, the three related to reporting requirements for governing boards of Commonwealth entities and companies are known as:

- Details of accountable authority during the year;
- Details of director during the year; and
- Information about remuneration for key management personnel.

4.5 Figure 4.1 below provides an example of the data template used to provide information on the accountable authority.

⁴⁵ Sections 17ABA, 17BCA, and 28CA of the PGPA Rule 2014.

Figure 4.1: Data template to report on details of accountable authority

PGPA Rule Section 17BE (j),(i)-(v) – Accountable Authority

Details of Accountable Authority during the reporting period Current ReportPeriod (2020-21)

Name	Qualifications of the Accountable Authority	Experience of the Accountable Authority	Position Title / Position held Executive / Non-Executive	Period as the accountable authority or member within the reporting period		
				Date of Commencement	Date of cessation	Number of meetings of accountable authority attended
				-	-	-

Source: Department of Finance, RMG 136 *Annual report for corporate Commonwealth entities*, Appendix B: *Digital Annual Reporting Tool data templates*, p. 2.

4.6 In producing this report, the ANAO manually collected data from annual reports that were available publicly at no cost, and did not make use of Transparency Portal datasets. This approach was taken due to the following observations.

Availability and timeliness

4.7 Under the PGPA Rule, annual reports must be published on the Transparency Portal as soon as practicable after the annual report has been tabled in the Parliament.⁴⁶ As outlined in the relevant resource management guides (RMGs) (refer paragraph 1.6), annual reports are expected to be tabled prior to the October Estimates Hearings. Commonwealth entities are required to provide the annual report to their responsible minister by the fifteenth day of the fourth month after the end of the reporting period for the entity, unless an extension has been granted.⁴⁷ Commonwealth companies are required to provide the annual report to their responsible minister by the earlier of the following: 21 days before the next annual general meeting after the end of the period for the company; or four months after the end of the reporting period for the company.⁴⁸ The relevant RMGs also state the completion of data templates in the Transparency Portal is mandatory.

4.8 The ANAO observed that all three non-financial datasets were available for the three reporting periods (2018–19, 2019–20 and 2020–21).⁴⁹ Transparency Portal datasets indicate when an entity has not provided data, and the ANAO observed that each dataset for each reporting period listed Commonwealth entities and companies for which source data was not available. However, this list also included entities which no longer exist, and entities and/or companies that were not required to report information for the relevant dataset.⁵⁰ The ANAO further observed occasions where an entity appeared to provide data but contained no information.⁵¹ Table 4.1 lists the

46 Sections 17ABA, 17BCA, and 28CA of the PGPA Rule 2014.

47 Approval, publication and presentation requirements outlined in RMG 135 *Annual reports for non-corporate Commonwealth entities* and RMG 136 *Annual report for corporate Commonwealth entities*.

48 Approval, publication and presentation requirements outlined in RMG 137 *Annual reports for Commonwealth companies*.

49 Transparency Portal, *Find data* [Internet], available from <https://www.transparency.gov.au/find-data> [accessed 6 January 2022].

50 For example, companies are listed in the 'Details of accountable authority' dataset, despite governing boards of companies and their directors not being defined as accountable authorities under the PGPA Act.

51 For example, entities having entries in a dataset containing exclusively blank fields.

number and proportion of Commonwealth entities and companies for which source data was not available for the relevant dataset. As at January 2022, 29 Commonwealth entities had yet to publish details of their accountable authority in the 2020–21 reporting period through the Transparency Portal.

Table 4.1: Number of entities with no relevant source data available through the Transparency Portal

Dataset	2020–21 ^a (proportion of total)	2019–20 ^b (proportion of total)	2018–19 ^c (proportion of total)
Details of accountable authority during the year	29 (18%)	13 (8%)	7 (4%)
Details of director during the year	2 (11%)	1 (6%)	3 (17%)
Information about remuneration for key management personnel	27 (15%)	8 (4%)	16 (9%)

Note: These figures exclude the entities which appeared to provide data but contained no information. Figures have also been adjusted to account for the Australian Secret Intelligence Service and the Office of National Intelligence as they are not required produce a publicly available annual report, and the Australian National Preventive Health Agency as it is included within the annual report of the Department of Health.

Note a: This is based on the 6 May 2021 PGPA Flipchart which lists 187 Commonwealth entities and companies.

Note b: This is based on the 1 February 2020 PGPA Flipchart which lists 187 Commonwealth entities and companies.

Note c: This is based on the 30 May 2019 PGPA Flipchart which lists 188 Commonwealth entities and companies.

Source: ANAO analysis of Transparency Portal data.

Consistency

4.9 The Transparency Portal accepts free-text in data fields and the ANAO observed inconsistencies with the formatting of information. Table 4.2 shows examples of this variability in formatting. The variability of this formatting complicated comparisons and interpretation of data during the production of this information report.

Table 4.2: Examples of variability in formatting of free-text fields

Dataset	Field	Examples ^a
Details of accountable authority during the year (2020–21)	Number of meetings of accountable authority	<p>The below sample illustrates variability with free-text fields. This includes outlining the total number of meetings possible for the accountable authority to attend in a range of different formats.</p> <ul style="list-style-type: none"> • 5 / 5-1 / 1 • 7 of 8 meetings • 13 • 1 (1) • 2-Feb • Four • 1 - Attended all meetings during the period following appointment

Dataset	Field	Examples ^a
Details of director during the year (2018–19)	Date of cessation	<p>The below sample illustrates variability with free-text fields. In one instance cessation information was included in the field 'Date of commencement'.</p> <ul style="list-style-type: none"> • 10/05/2020Resigned effective 23/09/2018 • 14-Mar-22 • 15/05/2019 • Ongoing • current • 5-year term
Information about remuneration for key management personnel (2019–20)	Long Service Leave	<p>The below sample illustrates differences in monetary formatting. In some instances, the title of the field had been transcribed instead of the intended figure.</p> <ul style="list-style-type: none"> • (\$32,005) • -3,339 • \$4,940 • 15,848 • Other long-term benefits

Note a: Each example represents how the information was presented in the Transparency Portal datasets.

Source: ANAO analysis of Transparency Portal data.

Accuracy

4.10 Finance advised the ANAO that high-level reviews of the digital annual report are undertaken upon request, and it is the responsibility of the Commonwealth entity or company to ensure their content is correct and accurately reflects the version tabled to the Parliament.

4.11 The variability in data of free-text fields impacted the accuracy of the information being presented. For example, the field 'Number of meetings of accountable authority' contained dates rather than a number to report on the number of meetings attended by the member during the period (refer Table 4.2).

4.12 The dataset information is presented as per the data templates specified in Finance's resource management guides. The ANAO observed the data templates may not enable transparent reporting on whether members are executive or non-executive as mandated in the PGPA Rule.⁵² This may be due to the data collection field requesting two different pieces of information (executive or non-executive status, and information relating the position title or position held) as shown in Figure 4.1.

52 Of the 476 completed responses in the 2020–21 Details of accountable authority during the year dataset, 158 (33 per cent) did not specify whether members were executive or non-executive members.

Annual reports

Data availability

4.13 The ANAO was able to obtain annual reports for the three periods of 2018–19, 2019–20 and 2020–21 except for the Australian National University (ANU). This is due to the ANU’s reporting period of 12 months starting on 1 January. As a result, the ANAO has used ANU’s 2019 and 2020 annual reports.

4.14 While the data collected was primarily from published, publicly available annual reports on Commonwealth entities’ and companies’ official websites, there were instances where annual reports were only available on the Transparency Portal.⁵³

4.15 There were two occasions where the ANAO was required to supplement the data from other sources:

- National Capital Authority’s meeting attendance was only available on its official website instead of being reported through annual reports. The ANAO reviewed the minutes of the meeting to tally the attendance for all relevant reporting periods; and
- Organ and Tissue Authority provided the biographies of its governing board members on its official website.

Data consistency

4.16 The ANAO observed inconsistencies in the reporting of information (refer Table 4.3), which was similar to the variability in formatting identified in Table 4.2. Reporting requirements could also have broad interpretations, impacting on data quality and leading to data inconsistencies. These reporting requirements primarily related to dates, names, experience, and qualifications.

Table 4.3: Examples of data inconsistencies observed in annual reports

Field (issue)	Examples
Date (specificity)	<ul style="list-style-type: none">• No date provided• Month only: April 2019• Period/year only: During 2020–21, ... completed her term on the council• Full date: 13th September 2019• References to gaps in service: 3rd March 2020, previous term 3rd December 2018 – 2 December 2019
Name (format)	<ul style="list-style-type: none">• Name shortened• Alternate names (preferred names, nicknames, etc.)• Initials used
Experience and qualifications (varying levels of detail and format)	<ul style="list-style-type: none">• No experience or qualifications information provided• Only qualifications provided• Qualifications embedded within experience• Distinctly separated qualifications and experience

Source: ANAO analysis of annual reports published between 2018–19 and 2020–21.

53 Commonwealth entities and companies are only required to publish their annual report using the digital reporting tool (Transparency Portal).

4.17 Additionally, the ANAO observed occasions where information regarding governing board members appeared in one section of the report but not elsewhere. For example, members would be named in the remuneration table but there would be no other information available in the report (such as qualifications or experience).



Grant Hehir
Auditor-General

Canberra ACT
20 June 2022

Appendices

Appendix 1 ANAO interpretation of enabling legislation information

- Due to variability in board conditions, the ANAO examined enabling legislation to identify common membership requirements that apply to the majority of board members. Table A.1 shows an example of the ANAO's interpretation of membership requirements for the majority of board members and Table A.2 provides additional examples of the ANAO's interpretation of board size. The ANAO did not verify this interpretation with entities.

Table A.1: Example of identifying requirements for the majority of board members

Requirement	Relevant extract of enabling legislation	Interpretation taken
Board size (minimum and maximum number of members)	<p>Membership of the Board</p> <p>(1) The Board consists of the following members:</p> <ul style="list-style-type: none"> (a) the Chairperson; (b) the Deputy Chairperson; (c) the Managing Director; (e) the government member; (f) as many other members, not fewer than 2 nor more than 5, as the Minister determines in writing to be appropriate.^a 	A minimum of six and a maximum of nine members.
Maximum years per appointment and maximum total number of years served on the governing board.	<p>Term of office and conditions of office of members</p> <p>(1) An appointed member, other than the government member, must be appointed for a term of 3 years.</p> <p>(1A) An appointed member, other than the government member, is eligible for reappointment but must not hold office as a member of the Board for a total of more than:</p> <ul style="list-style-type: none"> (a) 2 terms; or (b) if the member has been appointed at any time as the Chairperson—3 terms.^b 	A maximum of three years per appointment, with a maximum total number of years served on the governing board as six years, as these requirements apply to the majority of the board members.

Note a: Section 34 of the *Export Finance and Insurance Corporation Act 1991*.

Note b: Section 35 of the *Export Finance and Insurance Corporation Act 1991*.

Source: *Export Finance and Insurance Corporation Act 1991*, available from <https://www.legislation.gov.au/Details/C2021C00552> [accessed January 2022] and ANAO analysis.

Table A.2: Additional examples of interpretation of board size

Observation	Relevant extract of enabling legislation	Approach taken
Where only maximum number of members is clearly identifiable.	<p>The Board consists of the following members:</p> <ul style="list-style-type: none"> (a) the Chair; (b) the Deputy Chair; (c) the CEO; (d) not more than 3 members nominated by State Health Ministers; (e) not more than 6 other members.^a 	The ANAO interpreted this as a minimum of five and a maximum of 12 members.

Observation	Relevant extract of enabling legislation	Approach taken
Where only minimum number of members is clearly identifiable.	The Board consists of: (a) a Chairperson; and (b) the Managing Director; and (c) 4 other members; and (d) such other members, if any, as are appointed for a special purpose. ^b	The ANAO interpreted this as a minimum of six members and an unspecified maximum number of members.
	Appointment of trustees (1) The Minister must appoint, in respect of each fund, trustees of such number as he thinks fit and a chair of trustees. (2) The Minister may terminate the appointment of a trustee or a chair of trustees at any time. ^c	The ANAO has interpreted this as a minimum of one member and an unspecified maximum number of members.

Note a: Section 9 of the *Australian Institute of Health and Welfare Act 1987*.

Note b: Section 15 of the *Australian Hearing Services Act 1991*.

Note c: Section 5 of the *Services Trust Funds Act 1947*.

Source: ANAO analysis of enabling legislation.

Appendix 2 ANAO mapping of reported governing board member position titles

1. The ANAO undertook a general examination of reported position titles and performed analysis by mapping reported position titles to the titles shown in Table A.3. The ANAO did not verify the mapping of specific positions with entities.

Table A.3: ANAO mapping of reported governing board member position titles

Reported position title	Position title used by ANAO
<ul style="list-style-type: none"> • Chair • Acting Chair • Chancellor • Chief Commissioner 	Chair or chair-equivalent
<ul style="list-style-type: none"> • Deputy-Chair • Alternative Deputy Chair • Pro-Chancellor 	Deputy chair or deputy chair-equivalent
<ul style="list-style-type: none"> • Member • Non-Executive Director • Director • Commissioner • Special Purpose Director • Secretary 	Member
<ul style="list-style-type: none"> • CEO • Acting CEO • Managing Director • Interim Managing Director • Vice-Chancellor • Gallery Director • Director General • Executive Director • Acting Executive Director 	CEO
<ul style="list-style-type: none"> • Trustee 	Trustee
<ul style="list-style-type: none"> • Delegate / Ex-Officio • Alternate Government Member 	Ex-Officio

Source: ANAO analysis of annual reports published between 2018–19 and 2020–21.