

Chapter 1

Overview

1.1 This is the first Senate Community Affairs Legislation Committee (the committee) report on annual reports for 2014. It provides an overview of the committee's examination of annual reports for the 2012–13 financial year tabled by 31 October 2013.¹

Terms of Reference

1.2 On 29 September 2010, a resolution of the Senate allocated the following three portfolios to this committee:

- Health and Ageing;
- Families, Housing, Community Services and Indigenous Affairs; and
- Human Services.

1.3 Under Senate Standing Order 25(20), annual reports of departments and agencies shall stand referred to the legislation committees in accordance with an allocation of departments and agencies in a resolution of the Senate. Each committee shall:

- (a) Examine each annual report referred to it and report to the Senate whether the report is apparently satisfactory;
- (b) Consider in more detail, and report to the Senate on, each annual report which is not apparently satisfactory, and on the other annual reports which it selects for more detailed consideration;
- (c) Investigate and report to the Senate on any lateness in the presentation of annual reports;
- (d) In considering an annual report, take into account any relevant remarks about the report made in debate in the Senate;
- (e) If the committee so determines, consider annual reports of departments and budget-related agencies in conjunction with examination of estimates;
- (f) Report on annual reports tabled by 31 October each year by the tenth sitting day of the following year, and on annual reports tabled by 30 April each year by the tenth sitting day after 30 June of that year;
- (g) Draw to the attention of the Senate any significant matters relating to the operations and performance of the bodies furnishing the annual reports; and

1 Copies of this and other committee reports can be obtained from the Senate Table Office, the committee secretariat or online at www.aph.gov.au/senate_ca

- (h) Report to the Senate each year whether there are any bodies which do not present annual reports to the Senate and which should present such reports.

Purpose of annual reports

1.4 The primary purpose of annual reports is accountability, in particular to the Parliament.² The tabling of annual reports places a great deal of information about government departments and agencies on the public record and assists in the effective examination of the performance of departments and agencies and the administration of government grants.

Annual reporting requirements

1.5 Senate Standing Order 25(20) requires that the committee report on annual reports tabled by 31 October 2013 each year by the tenth sitting day of 2014.

1.6 Pursuant to subsections 63(2) and 70(2) of the *Public Service Act 1999*, departments of state and executive agencies must prepare annual reports in accordance with the *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*.³

1.7 Amendments to the Requirements for Annual Reports applicable for the 2012–13 reporting period are:

- Spatial reporting — a new requirement has been added for selected portfolio agencies to report on expenditure in relation to the Spatial Reporting Framework.⁴

1.8 Under section 48 of the *Commonwealth Authorities and Companies Act 1997* (the CAC Act), the Minister for Finance outlines the annual reporting requirements for Commonwealth authorities and companies in the *Commonwealth Authorities and Companies (Report of Operations) Orders*. Section 9 of the CAC Act applies to Commonwealth authorities and specifies the deadline for the presentation of an annual report to the responsible Minister. Section 36 of the CAC Act outlines the reporting obligations of Commonwealth companies.

1.9 Statutory authorities must report in accordance with their establishing legislation.

1.10 Requirements for the annual reports of non-statutory bodies are set out in the Government Response to recommendations of the then Senate Standing Committee on Finance and Government Operations in its report entitled *Reporting Requirements for*

2 Department of the Prime Minister and Cabinet, *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, approved by the Joint Committee of Public Accounts and Audit on 24 June 2013, p. 3, <http://www.dPMC.gov.au/guidelines/index.cfm> (11 March 2014).

3 Department of the Prime Minister and Cabinet, *Requirements for Annual Reports*, 2013, p. 1, ss. 3(1).

4 Department of the Prime Minister and Cabinet, *Requirements for Annual Reports*, 2013, p. i.

the Annual Reports of Non-Statutory Bodies. The response was incorporated into the *Senate Hansard* of 8 December 1987.⁵

1.11 The committee notes that some of the bodies that are required to produce annual reports to the Senate fall outside the categories listed above. In these cases, examination of the annual report is based on general content and information rather than compliance with legislation and guidelines.

Apparently satisfactory

1.12 Standing order 25(20)(a) requires the committee to report to the Senate on whether annual reports are 'apparently satisfactory'. In making this assessment, the committee considers such aspects as timeliness of presentation and compliance with relevant reporting requirements.

General comments

1.13 This report considers thirty annual reports received during the period between 1 May 2013 and 31 October 2013. It also considers two annual reports that were received outside of the reporting periods for 2013, and were not included in the committee's Reports on Annual Reports for 2013: the Anindilyakwa Land Council and the Northern Land Council annual reports, discussed in chapter 3. As the reports were received late, the Community Affairs Committee has considered them as they were referred to the committee before the changes in the Administrative Arrangements Order in September 2013. Future reports from the Anindilyakwa Land Council and the Northern Land Council will be considered by the Senate Finance and Public Administration Committee who examine the Prime Minister and Cabinet Portfolio reports.

1.14 Nine reports have been examined to determine whether or not their contents satisfy the detailed legislative requirements as set out in the CAC Act. Eleven annual reports have been checked to ascertain whether or not their contents satisfy the mandatory criteria for inclusion as set out in the FMA Act. Three Departments of State, three statutory office holders, one independent statutory officer, one independent non-statutory body, one independent expert body, and one regulatory scheme were assessed.

1.15 The report from the Coordinator General for Remote Indigenous Services is incorporated into the Department of Families, Housing, Community Services and Indigenous Affairs annual report as appendix L. The report for the Pharmaceutical Benefits Advisory Committee (PBAC) is incorporated into the Department of Health and Ageing's Annual Report 2012–13 as Appendix 1 and the Pharmaceutical Benefits Pricing Authority (PBPA) is incorporated into the Department of Health and Ageing's Annual Report 2012–13 as Appendix 2.

1.16 A list of the annual reports of departments, agencies and other bodies tabled in the Senate (or presented out of session to the President of the Senate), and referred to the committee for examination, can be found at Appendix 1. The table shows the

5 *Senate Hansard*, 8 December 1987, pp. 2643–45.

legislation under which reports are required to be provided, tabling information, and the reporting period during which the report was provided. Reports tabled on or after 1 November 2013 will be considered in the committee's second Report on Annual Reports.

1.17 The committee is pleased to note that generally the annual reports examined adhere to the relevant reporting guidelines in a satisfactory manner. The reports continue to maintain high standards of presentation and provide a comprehensive range of information on their functions and activities. However, some specific comments about timeliness and adherence to reporting requirements are given below.

Timeliness of reports

1.18 Under Standing Order 25(20)(c), the committee must report to the Senate on any lateness in the presentation of annual reports. The Requirements for Annual Reports state that:

A copy of the annual report is to be presented to each House of the Parliament on or before 31 October in the year in which the report is given.

...

Where an agency's own legislation provides a timeframe for its annual report, for example 'within six months' or 'as soon as practicable after 30 June in each year', that timeframe applies.

1.19 If a department or agency is unable to meet this deadline, the secretary or agency head is to advise the responsible Minister of the reasons for the delay and the expected tabling date. The responsible Minister is to table this explanation in the Parliament.

1.20 Subsection 9(1) of the CAC Act requires the director of a Commonwealth authority to:

(a) prepare an annual report in accordance with Schedule 1 for each financial year; and

(b) give it to the responsible Minister by the deadline for the financial year for presentation to the Parliament.

...

(2) The deadline is:

(a) the 15th day of the 4th month after the end of the financial year; or

(b) the end of such further period granted under subsection 34C(5) of the Acts Interpretation Act 1901.

1.21 Under section 36 of the CAC Act:

(1) A Commonwealth company must give the responsible Minister:

(a) a copy of the company's financial report, directors' report and auditor's report that the company is required by the Corporations Act 2001 to have for the financial year (or would be required by that Act to have if the company were a public company); and

(b) any additional report under subsection (2); and

(c) in the case of a wholly-owned Commonwealth company — any additional information or report required by the Finance Minister's Orders.

(1A) The Commonwealth company must give the reports and information by:

(a) if the company is required by the Corporations Act 2001 to hold an annual general meeting — the earlier of the following:

(i) 21 days before the next annual general meeting after the end of the financial year;

(ii) 4 months after the end of the financial year; and

(b) In any other case — 4 months after the end of the financial year; or the end of such further period granted under subsection 34C(5) of the Acts Interpretation Act 1901.

1.22 In the absence of any specific provision, subsection 34C(2) of the Acts Interpretation Act 1901 requires bodies to present annual reports to ministers within 6 months after the end of the period reported upon, and ministers must table reports within 15 sitting days after receipt.

Annual reports for 2012–13

1.23 The majority of the annual reports referred to the committee were tabled within the specified period or shortly thereafter. The committee acknowledges that the Australian Sports Anti-Doping Authority and Food Standards Australia New Zealand provided notification that their reports would be delayed.

1.24 On 24 October 2013 the Australian Sports and Anti-Doping Authority wrote to the Minister for Sport requesting an extension until 22 November 2013. The Minister granted the extension and the report was tabled in the Senate on 3 December 2013. The report will be examined in the committee's *Report on Annual Reports 2014(2)*.

1.25 On 28 October 2013 Food Standards Australia New Zealand wrote to the Assistant Minister for Health advising that they would be unable to provide the responsible Minister with a copy of the report before 15 October 2013, outlined in Section 9 of the CAC Act. As the report was received by the Senate after 31 October 2013, it will be considered in the committee's *Report on Annual Reports 2014(2)*.

Compliance with best practice

1.26 The committee commends the following bodies for complying with best practice and tabling their annual reports prior to the Community Affairs supplementary budget estimates that commenced on 20 November 2013:

- Department of Families, Housing, Community Services and Indigenous Affairs;
- Department of Health and Ageing;
- Department of Human Services;
- Administrator of the National Health Funding Pool;

- Aged Care Commissioner;
- Aged Care Standards and Accreditation Agency Limited;
- Australian Commission on Safety and Quality in Health Care;
- Australian Hearing;
- Australian Institute of Health and Welfare;
- Australian National Preventive Health Agency;
- Australian Organ and Tissue Donation and Transplantation Authority;
- Australian Radiation Protection and Nuclear Safety Agency;
- Australian Sports Commission;
- Australian Sports Foundation Limited;
- Cancer Australia;
- Coordinator-General for Remote Indigenous Services;
- Health Workforce Australia;
- Independent Hospital Pricing Authority;
- National Blood Authority;
- National Health Funding Body;
- National Health Performance Authority;
- National Industrial Chemicals Notification and Assessment Scheme;
- National Mental Health Commission;
- Office of the Gene Technology Regulator;
- Pharmaceutical Benefits Pricing Authority;
- Pharmaceutical Benefits Advisory Committee;
- Private Health Insurance Ombudsman; and
- Professional Services Review.

Publishing standards for the Presentation of Documents to Parliament

1.27 The Department of Prime Minister and Cabinet has produced Guidelines for the Presentation of Documents to the Parliament. Section 4 covers the Presentation of Government documents (including Department and agency annual reports) to Parliament. Section 4.1, Printing and publishing standards for documents, states that:

Documents to be included in the Parliamentary Papers Series must be printed on International B5 size paper.

Compliance Index

1.28 The committee is pleased to note that, in line with new reporting requirements, all annual reports considered for this report included a compliance index.

Comments made in the Senate

1.29 The committee is obliged, under Senate Standing Order 25(20)(d), to take into account any relevant remarks made about these reports in the Senate. The committee is not aware of any comments made in the Senate regarding the annual reports of departments and agencies within its purview.

Additional Reports

In addition to the reports listed in Appendix 1, the following reports were also referred to and received by the committee between the period of 1 July 2013 and 28 February 2014. The committee notes that these reports were referred for information only and the committee is not required by the terms of the Standing Order to report on these:

- Office of the Gene Technology Regulator — Quarterly report for 1 January to 31 March 2013 (tabled in the Senate 12 November 2013)
- Australian Institute of Health and Welfare — 11th biennial welfare report of the Australian Institute of Health and Welfare 2013 (tabled in the Senate 12 November 2013)
- Australian Radiation Protection and Nuclear Safety Agency — Quarterly report for 1 April to 30 June 2013 (tabled in the Senate 10 December 2013)
- Australian Radiation Protection and Nuclear Safety Agency — Quarterly report for 1 July to 30 September 2013 (tabled in the Senate 11 December 2013)
- National Health and Medical Research Council — Changes to national statement on ethical conduct in human research, 2007, updated December 2013 (tabled in the Senate 11 December 2013)
- *Therapeutic Goods Act 1989 and Therapeutic Goods Amendment (2009 Measures No.2) Act 2009* — Review of arrangements for scheduling substances under part 6-3 — Report by the scheduling review panel, dated September 2013 (tabled in the Senate 10 December 2013)
- Office of the Gene Technology Regulator — Quarterly Report for 1 April to 30 June 2013 (tabled in the Senate 02 December 2013)
- *Aged Care Act 1997* — Report for 2012-13 on the operation of the Act (tabled in the Senate 02 December 2013)
- *Healthcare Identifiers Act 2010* — Final report on the operation of the Act and the Healthcare Identifiers Service, dated June 2013 (tabled in the Senate 03 December 2013)
- *Healthcare Identifiers Act 2010 and the Personally Controlled Electronic Health Records Act 2012* — Activities in relation to eHealth—Australian Information Commissioner—Report for 2012-13 (tabled in the Senate 03 December 2013)

- Healthcare Identifiers Service operator—Department of Human Services — Report for 2012-13 (tabled in the Senate December 2013)
- Personally Controlled Electronic Health Record System operator — Department of Health and Ageing—Report for 2012-13 (tabled in the Senate 03 December 2013)
- National Health and Medical Research Council (NHMRC)—NHMRC Licensing Committee—Report on the operation of the Research Involving Human Embryos Act 2002 for the period 1 March to 31 August 2013 (tabled in the Senate 11 February 2014)
- Gene Technology Regulator—Quarterly report for the period 1 July to 30 September 2013 (tabled in the Senate 11 February 2014)
- The Treasury — Tax Expenditure Statement 2012 — In accordance with procedural order no. 7 of continuing effect (tabled in the Senate 11 February 2014)
- *National Health Reform Act 2011*—Report for 2012-13 on reports released by the National Health Performance Authority (tabled in the Senate 11 February 2014)
- The Treasury — Mid-year economic and fiscal outlook—2013—14 —Statement by the Treasurer (Mr Hockey) and the Minister for Finance (Senator Cormann) (tabled in the Senate 12 February 2014)
- Department of Finance and Deregulation — Advances provided under the annual Appropriation Acts—Report for 2012-13 (tabled in the Senate 13 February 2014)