Report to the Senate

Introduction

1.1 By virtue of Senate Standing Order 25(20), the Senate refers to this committee for examination and report the annual reports of departments and agencies of the following three portfolios:

- Broadband, Communications and the Digital Economy;
- Climate Change and Energy Efficiency; and
- Sustainability, Environment, Water, Population and Communities.

1.2 Standing Order 25(20) requires that the 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.
>
> (h) Report to the Senate each year whether there are any bodies which do not present annual reports to the Senate and which should present such reports.

1.3 This report deals with reports tabled in the Senate during the period from 1 November 2011 to 30 April 2012 as required by standing order 25(20)(f).

Annual reporting requirements

1.4 On 8 July 2011 the Joint Committee of Public Accounts and Audit (JCPAA) approved revised *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies* (the Requirements) put forward by the Department of the Prime Minister and Cabinet. These Requirements apply to annual reports for the

financial year ending on 30 June 2011.[1] Under the Requirements, annual reports of departments and executive and prescribed agencies must be tabled by 31 October.[2]

1.5 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.

1.6 Some statutory authorities are required to follow the Requirements if their head has the powers of a secretary as defined under the *Public Service Act 1999*.

1.7 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 the Annual Reports of Non-Statutory Bodies*. The response was incorporated into the *Senate Hansard* of 8 December 1987.[3]

Apparently satisfactory

1.8 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.

Purpose of annual reports

1.9 As stated in the Requirements, the primary purpose of annual reports is accountability, in particular to the Parliament. They inform the Parliament, other stakeholders, education and research institutions, the media and the general public about departments' performance in providing services. They are a key reference as well as an internal management document and form part of the historical record.[4]

Reports referred to the Committee

1.10 This report reviews five reports from the Broadband, Communications and the Digital Economy portfolio; one report from the Climate Change and Energy

---

1 Revised Requirements, dated 8 July 2011, to apply to annual reports for the financial year ending on 30 June 2011, are available at www.dpmc.gov.au/guidelines/index.cfm.

2 Department of the Prime Minister and Cabinet, *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, 8 July 2011, p. 2.

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

4 Department of the Prime Minister and Cabinet, *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, 8 July 2011, p. 3.

Efficiency portfolio and six reports from the Sustainability, Environment, Water, Population and Communities portfolio.

1.11 The following reports have been referred to the committee:

Prescribed agencies
Murray-Darling Basin Authority Annual Report 2010–2011
Office of the Renewable Energy Regulator Annual Report 2011

Statutory authorities
Great Barrier Reef Marine Park Authority Annual Report 2010–11
National Environment Protection Council Annual Report 2010–2011
Sydney Harbour Federation Trust Annual Report 2010–2011

Reports on the operation of Acts
Australian Broadcasting Corporation
Equity and Diversity Annual Report 2010–2011
Australian Communications and Media Authority
Communications Report 2010–2011
Australian Competition & Consumer Commission
Telstra's compliance with the retail price control arrangements 2010–2011
Australian Postal Corporation (Australia Post)
Statement of Corporate Intent 2011/12–2013/14
Department of Broadband, Communications and the Digital Economy
Report on Digital Television Transmission and Reception, February 2012
Department of Sustainability, Environment, Water, Population and Communities
Australian State of the Environment Committee
Australia State of the Environment 2011
COAG Review of the National Water Commission, December 2011.

1.12 Appendix 1 provides an alphabetical record in more detail, including:

- the basis under which the organisation operates, for example, department or statutory authority;
- dates indicating the progressive stages in presentation of the annual reports; and
- the date each report was tabled in, or deemed to be presented to, the Senate.

Remarks made in the Senate

1.13 As required under the terms of Standing Order 25(20)(d), the committee notes that the annual reports of the following agencies were the subject of comment in the Senate:

- Wet Tropics Management Authority[5]
- Australian Postal Corporation (Australia Post)[6]
- Great Barrier Reef Marine Park Authority[7]
- National Water Commission[8].

1.14 The committee notes that the following annual reports, reported on in this report, remain on the Notice Paper for consideration under Orders of the Day relating to Government Documents:

- Wet Tropics Management Authority and State of the Wet Tropics
- Great Barrier Reef Marine Park Authority
- Australian Postal Corporation (Australia Post) Statement of Corporate Intent 2011/12 to 2013/14[9].

Timeliness

1.15 The Requirements state that if a department is unable to meet the tabling deadline, the secretary may seek an extension of time to report under the provisions of subsections 34C(4)–(7) of the *Acts Interpretation Act 1901*, by advising the responsible minister of the reasons for the slippage. The responsible minister is to table this explanation in the Parliament on the next available sitting day.[10]

1.16 All reports reviewed in this report were tabled after 31 October. The terms of section 9 of the CAC Act require that annual reports be given to the responsible Minister by 15 October. As a matter of policy, they also apply to prescribed agencies under section 5 of the *Financial Management and Accountability Act 1997* (the FMA Act). Under section 36 of the CAC Act, the content of annual reports of

5 Senator McLucas, Senate Hansard, 2 November 2011, p. 8042.

6 Senator Macdonald, Senate Hansard, 1 March 2012, p. 1456.

7 Senator Cameron, Senate Hansard, 22 March 2012, p. 2666.

8 Senator McKenzie, Senate Hansard, 22 March 2012, p. 2669.

9 Senate Notice Paper No. 106, pp 12–13.

10 Department of the Prime Minister and Cabinet, *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, Canberra, 8 July 2011, p. 2.

Commonwealth companies is based on reporting requirements under the *Corporation Act 2001*.[11]

1.17 The committee notes that the annual report of the Murray-Darling Basin Authority did not meet the reporting deadlines. The report was both submitted to and received by the Minister on 8 December 2011. It was received in the Senate on 15 December 2011 and tabled in the Senate on 7 February 2012, thereby missing two deadlines: presenting to the minister by 15 October and tabling by the 31 October.

1.18 The annual report of the Great Barrier Reef Marine Park Authority was both submitted to and received by the Minister on 30 September 2011, however the report was not presented until 15 November 2011 and was tabled in the Senate on 21 November 2011.

1.19 In previous reports on annual reports, the committee has acknowledged advice from the National Environment Council that its enabling legislation requires it to include reports by each member of the Council (that is Commonwealth, State and Territory ministers) in its annual report which leads to its report being tabled after 31 October each year.[12]

1.20 The committee does note that the annual report of the Office of the Renewable Energy Regulator was tabled on 21 March 2012. However this particular report covers a calendar rather than a financial year.

1.21 The Requirements state that 'where an agency's own legislation provides a timeframe for its annual report…that timeframe applies… However, it remains the Government's policy that all annual reports should be tabled by 31 October'.[13]

1.22 The Requirements continue:

> If Senate Estimates is scheduled to occur prior to 31 October, it is best practice for annual reports to be tabled prior to those hearings.[14]

1.23 The committee encourages agencies to table annual reports in a timely manner.

---

11 Department of the Prime Minister and Cabinet, *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, Canberra, 8 July 2011, p. 1.

12 See, for example, Environment and Communications Legislation Committee, *Annual Reports (No 2 of 2011)*, September 2011; Environment, Communications and the Arts Legislation Committee, *Annual reports (No. 2 of 2009)*, September 2009; and Environment, Communications, Information Technology and the Arts Legislation Committee, *Annual reports (No. 2 of 2002)*, September 2002, pp 28–29.

13 Department of the Prime Minister and Cabinet, *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, Canberra, 8 July 2011, p. 2.

14 Department of the Prime Minister and Cabinet, *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, Canberra, 8 July 2011, p. 2.

Comments on annual reports

Murray-Darling Basin Authority—Annual Report 2010–2011

1.24 The Authority's report notes that widespread drought-breaking flooding during the reporting period replenished dams and rivers and revitalised wetlands and floodplains but also significantly affected numerous Authority program activities, including capital works.[15]

1.25 The report notes significant progress in the development of the draft Basin Plan, including participating in community information sessions and consultation with stakeholders which generated considerable public feedback.[16] It also highlights the activities of the various Authority divisions in achieving its outcome of 'equitable and sustainable use of the Murray-Darling Basin'.[17]

1.26 During the year the Hon Craig Knowles was appointed Chair of the Authority and a new Chief Executive, Dr Rhondda Dickson, was appointed.[18]

1.27 The committee does note that the Auditor's Report advises that the MDBA:

> ...has become aware that there is an increased risk of non-compliance with Section 83 of the Constitution where payments are made from the special account in circumstances where the payments do not accord with conditions included in the relevant legislation.

and that the Authority will investigate these circumstances.[19]

Great Barrier Reef Marine Park Authority —Annual Report 2010–11

1.28 The report notes the work done by the Authority in addressing identified key risks to the reef such as climate change, declining water quality from catchment run-off, loss of coastal habitats from coastal development and impacts of fishing and poaching.[20]

1.29 During the reporting year funding was provided to the Authority to enable an Extreme Weather Response Program to be implemented as a result of major flooding along the southern Reef coast and the impact of the category 5 cyclone Yasi. The program will enable assessment of the impacts of extreme weather on the Reef

---

15 Murray-Darling Basin Authority Annual Report 2010–11, p. 5.

16 Murray-Darling Basin Authority Annual Report 2010–11, p. 6.

17 Murray-Darling Basin Authority Annual Report 2010–11, pp 1-3.

18 Murray-Darling Basin Authority Annual Report 2010–11, pp 6-7.

19 Murray-Darling Basin Authority Annual Report 2010–11, Financial Statements, p. 212.

20 Great Barrier Reef Marine Park Authority Annual Report 2010-11, p. 3.

ecosystem, assist Reef industries to prepare for and adapt to future impacts, and inform future management responses.[21]

1.30 The Authority continues to work with Traditional Owner groups on activities related to Traditional Use of Marine Resources Agreements and has provided one-off grants to allow Traditional Owners to carry out environmental initiatives on their traditional land and sea country.[22]

1.31 Other programs such as the Reef Guardian Farmers program, the Reef Guardian Fishers pilot program and the Reef Guardian program enable the participation of sector and community groups to be involved in programs to preserve the Reef's 'social, economic and environmental value'.[23]

1.32 The Reef HQ Aquarium is the national education centre for the Great Barrier Reef and a focus for more than 120,000 visitors from around the country and overseas. During the reporting year it has won the major tourism attraction, ecotourism and new product development awards at the North Queensland Tourism Awards and was inducted into their hall of fame.[24]

Bodies not presenting annual reports to the Senate

1.33 Standing Order 25(20)(h) requires the committee to report to the Senate each year whether there are any bodies which do not present annual reports to the Senate which should present such reports. The committee is aware of no such body.

Summary

1.34 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.

1.35 The committee finds that the annual reports referred to it have provided an appropriately comprehensive description of the activities of the reporting bodies and were of a commendably high standard of presentation. They generally met the requirements of the various guidelines that apply to them and were timely in their presentation to the Parliament, except where noted above.

---

21 Great Barrier Reef Marine Park Authority Annual Report 2010–11, p. 3.

22 Great Barrier Reef Marine Park Authority Annual Report 2010–11, p. 5.

23 Great Barrier Reef Marine Park Authority Annual Report 2010–11, p. 5.

24 Great Barrier Reef Marine Park Authority Annual Report 2010–11, p. 6.

1.36 Accordingly, the committee reports its finding that the annual reports referred to it for examination and tabled in the period under examination were apparently satisfactory.

Senator Doug Cameron
Chair