

Chapter 1

Overview

1.1 This is the second 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 30 April 2014.¹

Terms of Reference

1.2 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
- (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.

Allocated portfolios and changes to portfolios

1.3 On 13 November 2013, a resolution of the Senate allocated the following three portfolios to this committee:

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

- Health;
- Social Services; and
- Human Services.²

1.4 Under the most recent Administrative Arrangements Order (AAO), Indigenous policies, programmes and service delivery were transferred to the Department of Prime Minister and Cabinet (PM&C). Indigenous primary healthcare remains with the Department of Health (DoH). The National Mental Health Commission was transferred from PM&C to DoH.³

1.5 The committee notes that the reports for the 2012–13 financial year relate to the period prior to the most recent AAO changes.

Purpose of annual reports

1.6 The primary purpose of annual reports is accountability, in particular to the Parliament.⁴ The tabling of annual reports places 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

1.7 Senate Standing Order 25(20) requires that the committee report on annual reports—tabled by 30 April 2014 each year—be tabled by the tenth sitting day after 30 June of that year. The committee is required to examine reports referred to it to determine whether they are timely and 'apparently satisfactory'. The committee must consider whether the reports comply with the relevant legislation and guidelines for the preparation of annual reports in forming its assessment.

1.8 The requirements are set down in the following instruments:

- For portfolio departments and agencies and the parliamentary departments: the *Public Service Act 1999*, sections 63(2) and 70(2), and the *Parliamentary Service Act 1999*, section 65; or other relevant enabling legislation for statutory bodies which are also prescribed agencies under the *Financial Management and Accountability Act 1997* (FMA Act); and the PM&C Requirements;
- for Commonwealth authorities and companies: the *Commonwealth Authorities and Companies Act 1997* (CAC Act), in particular, sections 9, 36 and 48; and the *Commonwealth Authorities (Annual Reporting) Orders*

2 *Journals of the Senate*, No. 2—13 November 2013, pp 88–89.

3 Commonwealth of Australia Administrative Arrangements Order, 12 December 2013, https://www.dpmc.gov.au/parliamentary/docs/ao_20131212.pdf, accessed 4 August 2014.

4 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> (16 July 2014).

2011 and the *Commonwealth Companies (Annual Reporting) Orders 2011*; and

- for non-statutory bodies: the guidelines are contained in the government response to the Senate Standing Committee on Finance and Public Administration Report on Non-Statutory bodies.⁵

1.9 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.⁶

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

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.

Timeliness of reports

1.12 Annual reports for departments and agencies are required to be tabled in Parliament by 31 October each year unless another date is specified in an agency's legislation, charter and/or terms of reference. The PM&C Requirements state that 'it remains the Government's policy that all annual reports should be tabled by 31 October'.⁷ The committee considers timeliness in annual reporting an important element in accountability and continues to encourage FMA Act bodies to follow this policy.

1.13 Commonwealth authorities reporting under the CAC Act are required to provide an annual report to the responsible Minister by the fifteenth day of the fourth month after the end of the financial year. For the standard financial year, this is 15 October. The Minister is required to present the report to the Parliament within 15 sitting days of that House after the day on which the report was received.

1.14 Commonwealth companies are required under the CAC Act to provide a report to the Minister four months after the end of the financial year, which is usually 31 October.⁸ The Minister is required to table the report in the Parliament as soon as

5 *Senate Hansard*, 8 December 1987, pp 2632–45.

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

7 Department of the Prime Minister and Cabinet, *Requirements for Annual Reports*, 2013, p. 2.

8 If a company is required under the *Corporations Act 2001* to hold an annual general meeting, the company must give the report to the Minister on whichever is the earlier date of the following:

- 21 days before the next annual general meeting after the end of the financial year; or
- Four months after the end of the financial year (see subsection 36(1A) of the CAC Act)

practicable after receiving it, or in the case of a company required to hold an annual general meeting, as soon as practicable after the meeting.

1.15 Appendix 1 lists the annual reports tabled (or presented) in Parliament between 1 November 2013 and 30 April 2014, and referred to the committee, with relevant tabling dates. Reports covering the 2012–13 financial year and examined in this report were presented in a timely manner, that is, by 31 October 2013.

Publishing standards for the Presentation of Documents to Parliament

1.16 The Department of Prime Minister and Cabinet has produced Guidelines for the Presentation of Documents to the Parliament. These guidelines state:

Documents to be included in the Parliamentary Papers Series must be printed on International B5 size paper.⁹

Reports examined 2012–13

1.17 This report considers seven annual reports received during the period 1 November 2013 and 30 June 2014. It 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 (No. 1 of 2014)—the Australian Sports and Anti-Doping Authority and Food Standards Australia New Zealand.

1.18 Three reports have been examined to determine whether or not their contents satisfy the detailed legislative requirements as set out in the CAC Act. Four 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.

1.19 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 legislation under which reports are required to be provided, tabling information, and the reporting period during which the report was provided.

1.20 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.

1.21 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

9 Australian Government Department of Prime Minister and Cabinet, *Guidelines for the Presentation of Documents to the Parliament (including Government Documents, Government Responses to Committee Reports, Ministerial Statements, Annual Reports and other Instruments*, October 2013, p. 4, http://www.dPMC.gov.au/guidelines/docs/guidelines_gov_docs.pdf, accessed 18 July 2014.

provided notification that their reports would be delayed.¹⁰ The committee also notes that two reports were received late by the Minister's office—General Practice Education and Training Limited, and the National Health and Medical Research Council.

Letter of transmittal—General Practice Education and Training Limited

1.22 Further to comments in the *Report on Annual Reports (No. 2 of 2013)*¹¹, the committee again notes that the annual report from General Practice Education and Training Limited (GPET) did not include a Letter of Transmittal. The committee requests that GPET include a letter of transmittal to the Minister in their future annual reports, containing a statement that the annual report was prepared in accordance with subsection 36(1) of the *Commonwealth Authorities and Companies Act 1997*.

Compliance Index

1.23 The committee is pleased to note that, in line with new reporting requirements, only one annual report considered for this report did not include a compliance index—General Practice Education and Training Limited.

Comments made in the Senate

1.24 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.

Other Issues

Government Response

1.25 The Government provided a response to the committee's *Report on Annual Reports (No. 2 of 2012)* on 7 May 2014. The committee recommended that the Government review 'whether an annual report of [National E-health Transition Authority] NEHTA should be presented to Parliament'.¹² The Government determined that as NEHTA is not an executive agency, it is not required to provide an annual report to the Parliament.¹³

10 Senate Community Affairs Legislation Committee, *Report on Annual Reports (No. 1 of 2014)*, March 2014, p. 5.

11 Senate Community Affairs Legislation Committee, *Report on Annual Reports (No. 1 of 2014)*, October 2013, p. 8.

12 Senate Community Affairs Legislation Committee, *Report on Annual Reports (No. 2 of 2012)*, September 2012, p. 11.

13 Australian Government response to the Senate Community Affairs Legislation Committee report: Report on Annual Reports (No. 2 of 2012), May 2014.
http://www.aph.gov.au/~media/Committees/Senate/committee/clac_ctte/annual/2012/gov_response.pdf, accessed 4 August 2014.

Additional Reports

1.26 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 March 2014 and 30 June 2014. The committee notes that these reports were for their information only and the committee is not required by the terms of the Standing Order to report on these:

- Australian Government Department of Health—Report to Parliament on the Collection of PBS/RPBS under Co-Payment Prescription Data—2012–13 (tabled in the Senate 19 June 2014)¹⁴
- Australian Government Department of Social Services—Paid Parental Leave Scheme—Review Report—June 2014 (tabled in the Senate 16 June 2014)¹⁵
- Australian Institute of Health and Welfare—Australia’s health 2014—Fourteenth Biennial Report (tabled in the Senate 25 June 2014)¹⁶
- Australian Radiation Protection and Nuclear Safety Agency—Quarterly Report for the period 1 January 2014 to 31 March 2014 (tabled in the Senate 17 June 2014)¹⁷
- Medical Training Review Panel—Report for 2012–13 (tabled in the Senate 24 June 2014)¹⁸
- National Health and Medical Research Council (NHMRC)—NHMRC Embryo Research Licensing Committee—Report to the Parliament of Australia for the period 1 September 2013 to 28 February 2014 (tabled in the Senate 18 June 2014)¹⁹
- Office of the Gene Technology Regulator—Quarterly Report for the period 1 October to 31 December 2013 (tabled in the Senate 13 May 2014)²⁰

14 *Journals of the Senate*, No. 33—19 June 2014, p. 933.

15 *Journals of the Senate*, No. 30—16 June 2014, p. 857.

16 *Journals of the Senate*, No. 36—25 June 2014, p. 987.

17 *Journals of the Senate*, No. 31—17 June 2014, p. 881.

18 *Journals of the Senate*, No. 35—24 June 2014, p. 963.

19 *Journals of the Senate*, No. 32—18 June 2014, p. 899.

20 *Journals of the Senate*, No. 27—13 May 2014, p. 774.