

Chapter 1

Overview

1.1 This is the second Senate Community Affairs Legislation Committee (the committee) report on annual reports for 2015. It provides an overview of the committee's examination of annual reports for the 2013–14 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 Services²

1.4 Under the most recent Administrative Arrangements Order (AAO), Ageing research was transferred from the Department of Social Services (DSS) into the Department of Health (DoH). Childcare policy and programs and Co-ordination of early childhood development policy and responsibilities were transferred from the Department of Education to DSS. Income support and participation policy for people of working age has also been added to DSS.³

1.5 The committee notes that the reports for the 2013–14 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's 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;

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

3 Commonwealth of Australia Administrative Arrangements Order, 23 December 2014 http://www.dpmc.gov.au/sites/default/files/publications/AAO_23_December_2014_signed.pdf, accessed 14 May 2015.

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, updated on 29 May 2014, p. 4, <http://www.dpmc.gov.au/node/6392> (16 June 2015).

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

1.10 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

1.11 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'.⁶ The committee considers timeliness in annual reporting an important element in accountability and continues to encourage FMA Act bodies to follow this policy.

1.12 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.

1.13 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.⁷ The Minister is required to table the report in the Parliament as soon as 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.

1.14 Appendix 1 lists the annual reports tabled (or presented) in Parliament between 1 May 2014 and 30 April 2015 and referred to the committee. The table

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

6 Department of the Prime Minister and Cabinet, *Requirements for Annual Reports*, 2014, p. 3

7 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)

shows the legislation under which reports are required to be provided, tabling information, and the reporting period during which the report was provided. Reports covering the 2013–14 financial year and examined in this report were presented by 30 April 2015, except for Health Workforce Australia which was granted an extended reporting date in order to complete their final report. This was tabled on 12 May 2015.

Publishing standards for the Presentation of Documents to Parliament

1.15 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.⁸

Reports examined 2013–14

1.16 This report considers twelve annual reports received during the period 1 November 2014 and 30 June 2015 and six reports received on or before 31 October 2014. The committee acknowledges that information in *Annual reports (No. 1 of 2015)* incorrectly stated in the appendix that six reports were not received by the due date of 31 October. This information has been corrected in Appendix 1 of this report. Those reports that were received on time were:

- Administrator of the National Health Funding Pool
- Australian Institute of Health and Welfare
- Cancer Australia
- National Health and Medical Research Council
- National Health Funding Body
- National Mental Health Commission

1.17 Four 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. The committee also examined three annual reports that fall outside of these categories: the Social Security Appeals Tribunal; Administrator of the National Health Funding Pool; and the Australian Health Practitioner Regulation Agency.

1.18 The committee considers that all but one of the reports received were 'apparently satisfactory'. The following chapters of this report examine selected annual reports in further detail and incorporate suggestions for improvement.

8 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, https://www.dpmc.gov.au/sites/default/files/publications/Guidelines_for_the_Presentation_of_Documents_to_the_Parliament.pdf accessed 18 June 2015.

Apparently Satisfactory

1.19 Standing order 25(20)(a) requires the committee to report to the Senate on whether annual reports are 'apparently satisfactory'. The committee is pleased to note that generally the annual reports examined adhere to the relevant reporting guidelines. The reports continue to maintain high standards of presentation and provide a comprehensive range of information on their functions and activities.

1.20 The committee is concerned that the National Mental Health Commission's annual report could be considered to have not contained enough information on a number of mandatory requirements to be apparently satisfactory. Please see Chapter 1 for more detail.

Comments made in the Senate

1.21 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

Additional Reports

1.22 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 November 2014 and 30 April 2015. 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:

- Australian Government Actuary—Ninth report on the costs of the Australian Government's Run-off Cover Scheme for medical indemnity insurers—2012–13 (tabled in the Senate 24 March 2015)
- Australian Government Actuary—Third report on the costs of the Australian Government's Run-off Cover Scheme for midwife professional indemnity insurers—2012–13 (tabled in the Senate 24 March 2015)
- Australian Government Department of Health—Report to Parliament on s 89A of the *National Health ACT 1953* ('Continued Dispensing')—2014 (tabled in the Senate 3 December 2014)
- Australian Government Department of Social Services—Report on the Operation of the *Aged Care Act 1997*—2013–14 (tabled in the Senate 27 November 2014)
- Australian Government Interdepartmental Committee on Human Trafficking and Slavery—Trafficking in Persons: The Australian Government Response—2013–14 (tabled in the Senate 2 December 2014)
- Australian Radiation Protection and Nuclear Safety Agency—Quarterly Report for the period 1 July 2014 to 30 September 2014 (tabled in the Senate 9 February 2014)

- Australian Radiation Protection and Nuclear Safety Agency—Quarterly Report for the period 1 October 2014 to 31 December 2014 (tabled in the Senate 25 March 2015)
- National Health and Medical Research Council (NHMRC)—NHMRC Embryo Research Licensing Committee—Report to the Parliament of Australia for the period 1 March 2014 to 31 August 2014 (tabled in the Senate 9 February 2014)
- Office of the Gene Technology Regulator—Quarterly Report for the period 1 July to 30 September 2014 (tabled in the Senate 11 February 2014))
- Office of the Gene Technology Regulator—Quarterly Report for the period 1 October to 31 December 2014 (tabled in the Senate 31 March 2015)
- Private Health Insurance Administration Council—Report for 2013–14 on the operations of private health insurers (tabled in the Senate 16 March 2015)