

# Chapter 1

## Overview

1.1 Pursuant to Senate resolution allocating oversight of portfolios to committees,<sup>1</sup> and under Senate Standing Order 25(20),<sup>2</sup> the Community Affairs Legislation Committee (committee) is responsible for examining the annual reports of entities in the Health and Social Services (including Human Services) portfolios.

1.2 This is the second report on annual reports for 2017. It provides an overview of the committee's examination of annual reports for the 2015–16 financial year, which were tabled in Parliament between 1 November 2016 and 30 April 2017.<sup>3</sup>

1.3 Two annual reports were tabled during the reporting period and not reported on in the committee's first report on annual reports for 2017: *National Health Performance Authority—Final Annual Report for the period 1 July 2015 to 31 October 2016*; and *Australian Aged Care Quality Agency—Annual Report 2015-2016*.

### Terms of Reference

1.4 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;

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1 Journals of the Senate, No. 2—31 August 2016, p. 75.

2 The Senate, *Standing Orders and other orders of the Senate*, August 2015.

3 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](http://www.aph.gov.au/senate_ca).

- (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.

### **Annual reporting requirements and purpose**

1.5 In its *Annual reports (No. 1 of 2017)*, the committee examined the annual reporting requirements for Commonwealth entities under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).<sup>4</sup>

1.6 The PGPA Act was updated on 23 August 2017 to incorporate amendments arising from the *Public Governance and Resources Legislation Amendment Act (No. 1) 2017*. This update represents a minor clerical change to the PGPA Act.

1.7 The *Public Governance, Performance and Accountability Rule 2014* (PGPA Rules) have been updated five times since the *Annual reports (No. 1 of 2017)*. These changes to the PGPA Rules do not pertain to annual reporting requirements.

1.8 Senate Standing Order 25(20)(a) requires annual reports to be examined against a test of 'apparently satisfactory'. The committee maintains 'apparently satisfactory' as being in accordance with the PGPA Act and other relevant legislation.

1.9 The committee reiterates that annual reports are a: principal mechanism for ensuring accountability and transparency in government;<sup>5</sup> and primary mechanism by which Ministers report to the Parliament.<sup>6</sup>

### **Reports examined**

1.10 This report considers the final report of the National Health Performance Authority (NHPA), following the transfer of NHPA's functions to other Australian Government entities from 30 June 2016.<sup>7</sup> The report also considers the 2015–16 annual report of the Australian Aged Care Quality Agency (AACQA), following tabling on 7 February 2017.

1.11 A list of the 2015–16 annual reports of Commonwealth entities and companies and other bodies tabled in the Parliament and referred to the committee for examination can be found at Appendix 1.

1.12 The committee is pleased to note that the annual reports of NHPA and AACQA are of an 'apparently satisfactory' standard.

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4 Senate Community Affairs Legislation Committee, *Annual reports (No.1 of 2017)*, pp. 2–12.

5 Department of Finance, *Resource Management Guide No. 130: Overview of the enhanced Commonwealth performance framework*, July 2016, p. 3.

6 Department of Finance, *Resource Management Guide No. 130: Overview of the enhanced Commonwealth performance framework*, July 2016, p. 7.

7 Department of Health, *Portfolio Budget Statements 2016–17: Budget Related Paper No. 1.10*, p. 4.