

Chapter 1

Introduction

1.1 This is the second report on annual reports for 2015 of the Senate Environment and Communications Legislation Committee (the committee). It provides an overview of annual reports of agencies within the allocated portfolios tabled in the Senate between 1 November 2014 and 30 April 2015.

1.2 Annual reports inform the Parliament, stakeholders and other interested parties of the operations and performance of public sector departments, agencies and companies. They are a primary accountability mechanism. Additionally, annual reports are important reference documents and form part of the historical record.¹

Terms of reference

1.3 Under standing order 25(20), the annual reports of certain departments and agencies are referred to the committee for examination and assessment. The committee is required to:

- (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 Department of the Prime Minister and Cabinet, *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*, 29 May 2014, p. 4.

Allocated portfolios

1.4 In accordance with the resolution of the Senate on 12 November 2013, the committee has oversight of the following portfolios:

- Environment; and
- Communications.²

Annual reporting requirements

1.5 In 2013–14, Commonwealth departments, agencies, authorities and companies operating under either the *Financial Management and Accountability Act 1997* (the FMA Act) or the *Commonwealth Authorities and Companies Act 1997* (the CAC Act) were required to provide an annual report on their activities, performance and finances. The *Public Governance, Performance and Accountability Act 2013* replaced both the FMA Act and the CAC Act on 1 July 2014. However, the annual reports covered by this report were assessed against the requirements under the former Acts.

1.6 Annual reports of agencies operating under the FMA Act must also comply with the *Requirements for Annual Reports for Departments, Executive Agencies and Other Non-Corporate Commonwealth Entities* (the PM&C Requirements) issued by the Department of the Prime Minister and Cabinet and approved by the Joint Committee of Public Accounts and Audit. These requirements are updated annually. The requirements that apply to annual reports for 2013–14 were released on 29 May 2014.

Reports examined

1.7 This report examines the following reports, tabled in the Senate or presented out of session to the President of the Senate and referred to the committee between 1 November 2014 and 30 April 2015:

Statutory authorities

- Climate Change Authority—*Annual Report 2013–14*;
- Director of National Parks—*Annual Report 2013–14*; and
- Murray-Darling Basin Authority—*Annual Report 2013–14*.

Reports not examined

1.8 The committee is not obliged to report on Acts, statements of corporate intent, surveys, policy papers, budget documents, corporate plans or errata. The following were referred to the committee between 1 November 2014 and 30 April 2015 but are not examined in this report:

- Australian Competition and Consumer Commission, *Telecommunications competitive safeguards for 2013–14*;

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- Australian Competition and Consumer Commission, *Changes in prices paid to telecommunications services in Australia 2013–14*;
 - Australian Competition and Consumer Commission, *Telstra Compliance Report*, October 2014;
 - Australian Communications and Media Authority, *Communications Report 2013–14*;
 - Department of Communications, *Funding of Consumer Representation Grants Program to Telecommunications Annual Report 2013–14*;
 - Climate Change Authority, *Carbon Farming Initiative Review Report*, December 2014;
 - Climate Change Authority, *Renewable Energy Target Review Report*, December 2014;
 - Department of Environment, *Land Sector Carbon and Biodiversity Board Annual Report 2012–13*;
 - Department of the Environment, *Report of the Expert Panel on a Declared Commercial Fishing Activity: Final (Small Pelagic Fishery) Declaration No. 2 2013*, March 2015; and
 - Wet Tropics Management Authority, *Annual Report and State of the Tropics Report 2013–14*.

Timeliness

1.9 The PM&C Requirements state that an 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'.³ Organisations reporting under the former CAC Act are required to present an annual report to the responsible minister on the fifteenth day of the fourth month after the end of the financial year—that is, by 15 October.

1.10 The committee notes that the annual report of the Murray-Darling Basin Authority (MDBA) did not meet its reporting deadlines. Under subsection 214(1) of the *Water Act 2007*, the MDBA Chief Executive must as soon as practicable after the financial year prepare the MDBA's operations during that year.⁴ During the reporting period, the MDBA operated under the FMA Act and, therefore, the PM&C Requirements also apply. The PM&C Requirements state that, notwithstanding the time frame provided in an agency's own legislation, it is government policy that all annual reports should be tabled by 31 October.⁵

3 Department of the Prime Minister and Cabinet, *Requirements for Annual Reports*, 29 May 2014, p. 3.

4 *Water Act 2007*.

5 Department of the Prime Minister and Cabinet, *Requirements for Annual Reports*, 29 May 2014, p. 4.

1.11 The letter of transmittal in the MDBA's report is dated 24 November 2014 and the report was submitted to, and received by the Minister on 25 November 2014. The annual report was presented out-of-session on 16 December 2014 and tabled in the Senate on 9 February 2015.

1.12 The committee has previously commented on the lateness of the MDBA's annual reports.⁶ It is noted that the MDBA has not provided its annual report for 2013–14 in a timelier manner.

1.13 The committee also notes that the Climate Change Authority and the Director of National Parks did not meet the requirement under the former CAC Act to present an annual report to the responsible Minister by 15 October.⁷ Provision is made under subsection 34C(4)–(7) of the *Acts Interpretation Act 1901* for agencies to apply for an extension of time to report. However, the Climate Change Authority and the Director of National Parks did not apply for an extension of time to report.

Senate debate

1.14 Under standing order 25(20)(d), the committee is obliged to note any remarks made in the Senate about annual reports. None of the annual reports examined in this report were the subject of Senate debate.

Apparently satisfactory

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

1.16 The committee has examined all annual reports referred during the reporting period and considers that they are apparently satisfactory.

6 See Senate Environment and Communications Legislation Committee, *Annual reports (No.2 of 2014)*, p. 4, paragraphs 1.11, 1.12 and 1.13. Also see Senate Environment and Communications Legislation Committee, *Annual reports (No.2 of 2013)*, p. 4, paragraphs 1.17 and 1.21.

7 See appendix 1 for the list of annual reports tabled (or presented) in Parliament between 1 November 2014 and 30 April 2015.