

The Senate

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Environment and Communications  
Legislation Committee

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Annual reports (No. 1 and No. 2 of 2019)

July 2019

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# Chapter 1

## Introduction

1.1 Standing Order 25(20)(f) requires the Senate Environment and Communications Legislation Committee (the committee) to 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.

1.2 Due to the revised parliamentary sitting pattern for 2019, the committee's first and second reports on annual reports are due to be tabled in the Senate on the 23 July 2019 and 31 July 2019 respectively. As a result, the committee has chosen to combine these two reports, by providing an overview of selected annual reports of agencies within the allocated portfolios tabled between 1 May 2018 and 30 April 2019 in one report.

1.3 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 of the Commonwealth.

### Terms of reference

1.4 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 the attention of the Senate to 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.

### **Allocated portfolios**

1.5 In accordance with the resolution of the Senate on 31 August 2016, the committee has oversight of the following portfolios:

- Environment and Energy; and
- Communications and the Arts.<sup>1</sup>

### **Reports examined**

1.6 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 May 2018 and 30 April 2019:

#### *Non-corporate Commonwealth entities*

- Department of Communications and the Arts—Annual Report for 2017-18;
- Department of the Environment and Energy—Annual Report for 2017-18;
- Australian Communications and Media Authority and the Office of the eSafety Commissioner—Annual Report for 2017-18;
- Bureau of Meteorology—Annual Report for 2017-18;
- Clean Energy Regulator—Annual Report for 2017-18;
- Climate Change Authority—Annual Report for 2017-18; and
- Great Barrier Reef Marine Park Authority—Annual Report for 2017-18.

#### *Corporate Commonwealth entities*

- Australia Council for the Arts—Annual Report for 2017-18;
- Australian Broadcasting Corporation—Annual Report for 2017-18;
- Australian Film, Television and Radio School—Annual Report for 2017-18;
- Australian National Maritime Museum—Annual Report for 2017-18;
- Australian Postal Corporation—Annual Report for 2017-18;
- Australian Renewable Energy Agency—Annual Report for 2017-18;
- Clean Energy Finance Corporation—Annual Report for 2017-18;

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1 *Journals of the Senate*, No. 2, 31 August 2016, pp. 75–76. See also, *Journals of the Senate*, No. 3, 4 July 2019, pp. 85–86 for allocation of portfolios in the 46th Parliament.



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- Director of National Parks—Annual Report for 2017-18;
  - National Film and Sound Archive of Australia—Annual Report for 2017-18;
  - National Gallery of Australia—Annual Report for 2017-18;
  - National Library of Australia—Annual Report for 2017-18;
  - National Museum of Australia—Annual Report for 2017-18;
  - National Portrait Gallery of Australia—Annual Report for 2017-18;
  - Old Parliament House (Museum of Australian Democracy)—Annual Report for 2017-18;
  - Screen Australia—Annual Report for 2017-18;
  - Special Broadcasting Service Corporation—Annual Report for 2017-18; and
  - Sydney Harbour Federation Trust—Annual Report for 2017-18.

#### *Commonwealth companies*

- Australia Business Arts Foundation Limited (Creative Partnerships Australia)—Annual Report for 2017-18;
- Bundanon Trust—Annual Report for 2017-18; and
- NBN Co Limited—Annual Report for 2017-18.

#### *Other bodies*

- Audio-Visual Copyright Society Ltd. (Screenrights)—Report for 2017-18;
- Classification Board and Classification Review Board—Reports for 2017-18;
- Copyright Agency—Annual Report 2017-18;
- Independent Scientific Committee on Wind Turbines—Report for 2017;
- National Environment Protection Council—Report for 2016-17;<sup>2</sup>
- Office of the National Wind Farm Commissioner—Report for 2017; and
- Public Lending Right Committee—Report for 2017-18.

### **Reports not examined**

1.7 The committee is not obliged to report on Acts, statements of corporate intent, surveys, policy papers, budget documents, corporate plans or errata. The following

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2 The National Environment Protection Council (NEPC) annual report was tabled in accordance with section 24 of the *National Environment Protection Council Act 1994*. This requires the NEPC to report its operations during the year ended on the preceding 30 June. This legislative requirement means that the report covers the 2016-17 financial year rather than the 2017-18 reporting period. Further discussion of the NEPC annual report can be found at paragraph 1.34 of this report.

documents were referred to the committee between 1 May 2018 and 30 April 2019 but are not examined in this report:

- Australian Broadcasting Corporation (ABC)—Equity and diversity—Report for 2017-18;
- Australian Communications and Media Authority—Communications Report for 2017-18;
- Australian Competition and Consumer Commission—Communications market report 2017-18, dated February 2019;
- Australian Competition and Consumer Commission—Telstra's structural separation undertaking—Report for 2016-17;
- Australian Competition and Consumer Commission—Telstra's structural separation undertaking—Report for 2017-18;
- Australian National Maritime Museum—Corporate plan for 2018–22;
- *Clean Energy Finance Corporation Act 2012*—Statutory review of the Clean Energy Finance Corporation—Report, dated 10 October 2018;
- Clean Energy Regulator—Renewable Energy Target administrative report for 2017;
- Clean Energy Regulator—2018 Annual Statement to the Parliament on the progress towards the 2020 Large-scale Renewable Energy Target, dated March 2019;
- Climate Change Authority—Review of the Emissions Reduction Fund—Government response, dated March 2019;
- Climate Change Authority—Review of the National Wind Farm Commissioner—Report, dated May 2018;
- Climate Change Authority—Report—Review of the National Wind Farm Commissioner—Government response, dated October 2018;
- Department of Finance—Consolidated financial statements for the year ended 30 June 2018;
- *Enhancing Online Safety Act 2015*—Report of the statutory review of the Act and the review of schedules 5 and 7 to the *Broadcasting Services Act 1992* (Online Content Scheme), dated October 2018;
- *Environment Protection and Biodiversity Conservation Act 1999*—The National Heritage List and the Commonwealth Heritage List: 1 July 2013–30 June 2018;
- Final budget outcome 2017-18—Report by the Treasurer (Mr Frydenberg) and the Minister for Finance (Senator Cormann), dated September 2018;
- Mid-year economic and fiscal outlook 2018-19—Statement by the Treasurer (Mr Frydenberg) and the Minister for Finance (Senator Cormann);

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- Snowy Hydro Limited—Consolidated Financial Report for the Reporting Period 2 July 2017 to 30 June 2018;
  - *Telecommunications Act 1997*—Funding of telecommunications consumer representation grants—Report for 2017-18;
  - Wet Tropics Management Authority—Reports for 2016-17 and 2017-18; and
  - Wet Tropics Management Authority—State of Wet Tropics—Reports for 2016-17 and 2017-18.

## Annual reporting requirements

1.8 A performance reporting framework is established for all Commonwealth entities and companies by the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). The performance framework is based on section 38 of the PGPA Act which requires all Commonwealth entities to measure and assess their performance.

1.9 The performance framework includes the requirement for Commonwealth entities to prepare a corporate plan and annual performance statements. The Public Governance, Performance and Accountability Rule 2014 (PGPA Rule) contains the minimum requirements that must be included.

1.10 Section 39 of the PGPA Act requires all Commonwealth entities to prepare an annual performance statement and include those statements in their annual reports. Entities use the annual performance statements to report on the results achieved against the targets, goals and measures established at the beginning of a reporting year in corporate plans and Portfolio Budget Statements.

1.11 Below is a summary of the legislative authority and requirements for the different types of bodies under which annual reports are prepared:

- Non-corporate Commonwealth entities: PGPA Act, section 46, and the PGPA Rule, Division 3A(A); for portfolio departments and executive agencies, and for statutory bodies, relevant enabling legislation.
- Corporate Commonwealth entities: PGPA Act, section 46, and the PGPA Rule, Division 3A(B); and for statutory bodies, relevant enabling legislation.
- Commonwealth companies: PGPA Act, section 97, which also refers to requirements under the *Corporations Act 2001* and the PGPA Rule, Part 3-3; and for statutory bodies, relevant enabling legislation.
- Non-statutory bodies: the annual reporting requirements are contained in the government response to the Senate Standing Committee on Finance and Public Administration's Report on Non-Statutory bodies.<sup>3</sup>

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

1.12 On 29 June 2018, the Commonwealth Government (the government) acquired 100 per cent ownership of Snowy Hydro Limited (Snowy Hydro). As a result, Snowy Hydro became subject to the PGPA Act and the PGPA Rule was amended to prescribe Snowy Hydro as a Government Business Enterprise (GBE). During the next reporting period the committee expects to examine Snowy Hydro's annual report for 2018-19 which will incorporate additional reporting information, as required by the PGPA Act and GBE guidelines.

### ***Disclosure of executive remuneration***

1.13 In its *Report on Annual Reports No. 1 of 2018*, the committee noted that the Joint Committee of Public Accounts and Audit (JCPAA), in its report on Commonwealth financial statements, recommended changes to provide greater transparency and accountability to the disclosure of senior executive remuneration.<sup>4</sup> This JCPAA report recommended that the Department of Finance re-establish a formal requirement for the disclosure of executive remuneration by Commonwealth entities in their annual reports.

1.14 On 13 March 2018, the Department of Finance provided the JCPAA with a response to its report, stating that the government would consider the findings of the *Independent Review into the operation of the Public Governance, Performance and Accountability Act 2013 and Rule* (Independent Review) when establishing any new or modified arrangements for reporting executive remuneration.<sup>5</sup>

1.15 The Independent Review presented its final report in September 2018, which recommended that accountable authorities should disclose executive remuneration in annual reports, on the following basis:

- (a) the individual remuneration (including allowances and bonuses) of accountable authorities and their key management personnel on an accrual basis, in line with the disclosure by Australian Securities Exchange listed companies; and
- (b) the number and average remuneration (including allowances and bonuses) of all other senior executives and highly paid staff, by band and on an accrual basis, broadly consistent with the reporting arrangements in place up to 2013-14.<sup>6</sup>

1.16 In addition, the Independent Review recommended that accountable authorities 'should provide an explanation of remuneration policy and practice, relating to key management personnel, senior executives and other highly paid staff,

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4 Senate Environment and Communications Legislation Committee, *Annual reports (No. 1 of 2018)*, pp. 4–6.

5 Department of Finance, *Executive Minute on Joint Committee of Public Accounts and Audit Report No. 463*, 9 March 2018, p. 2.

6 *Independent Review into the operation of the Public Governance, Performance and Accountability Act 2013 and Rule*, September 2018, p. 7.

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broadly consistent with the reporting practices of Australian Securities Exchange listed companies'.<sup>7</sup>

1.17 On 5 April 2019, the Minister for Finance and the Public Service presented the government's response to the findings and recommendations of the Independent Review. The government accepted, in principle, 48 out of the 52 recommendations, with three not being within the government's area of responsibility and one being a shared responsibility between the government and the Parliament. The response stated that the government will undertake implementation in consultation with all relevant parties, including the JCPAA.<sup>8</sup>

1.18 The committee looks forward to implementation of the Independent Review and JCPAA recommendations in relation to the reporting of executive remuneration in entity annual reports.

### **Timeliness**

1.19 As part of its review of annual reports, the committee is required to investigate and report on any lateness in the presentation of annual reports.<sup>9</sup> In assessing the timeliness of the presentation of annual reports, the committee assesses the presentation against the requirements of the PGPA Act, the PGPA Rule and other legislative requirements.

#### ***Presentation to ministers***

1.20 Section 46 of the PGPA Act requires the provision of an annual report of a Commonwealth entity, including corporate and non-corporate entities, to the responsible minister by the 15th day of the fourth month after the end of the reporting period for the entity. For most agencies this translates to 15 October each year. This part of the Act does not, however, provide a timeframe for the minister to present the report to the Parliament.

1.21 The arrangements for Commonwealth companies differ to some degree. Section 97 of the PGPA Act sets out the requirements for the provision of annual reports of Commonwealth companies to the responsible minister. In general, this amounts to four months after the end of the reporting period for each company.<sup>10</sup>

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7 *Independent Review into the operation of the Public Governance, Performance and Accountability Act 2013 and Rule*, September 2018, p. 7.

8 Senator the Hon Mathias Cormann, Minister for Finance and the Public Service, *Australian Government response to the Independent Review into the PGPA Act 2013 and Rule*, dated 2 April 2019, p. 1.

9 Standing Order 25(20)(c).

10 *Public Governance, Performance and Accountability Act 2013*, ss. 97(2).

### ***Tabling in Parliament***

1.22 The PGPA Rule states that annual reports for corporate Commonwealth entities, non-corporate Commonwealth entities and Commonwealth companies must comply with the *Guidelines for the Presentation of Documents to the Parliament*, which is prepared by the Department of the Prime Minister and Cabinet.<sup>11</sup>

1.23 The guidelines advise that for all entities:

As per past practice, it is expected that the responsible Minister will present the report to each House of Parliament on or before 31 October. If Senate Supplementary Budget Estimates hearings are scheduled to occur prior to 31 October, it is best practice for annual reports to be tabled prior to those hearings. This ensures that annual reports are available for scrutiny by the relevant Senate standing committee.<sup>12</sup>

1.24 Entities reporting in accordance with their own legislation are often required to prepare for the relevant minister their annual report 'as soon as is practicable' after the end of the particular period to which the report relates. The committee draws attention to subsections 34C(2) and 34C(3) of the *Acts Interpretation Act 1901*, which stipulate that where no date for providing a report to a minister is specified, the report should be presented no more than six months after the reporting period, and the minister must provide the report to the Parliament within 15 days after the minister receives it.

1.25 Where a deadline for presenting an annual report cannot be met, a Commonwealth entity or company can seek an extension of time to report under the *Acts Interpretation Act 1901*, by advising the responsible minister of the reasons why the entity cannot comply with the deadline. The responsible minister is required to table this application and a statement specifying the extension granted and the reasons for the extension in both houses of the Parliament.<sup>13</sup>

1.26 The committee notes that the Independent Review made recommendations to the Minister for Finance and the Public Service on bringing forward the date for tabling of annual reports in the Parliament. This followed a request by the JCPAA for

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11 See PGPA Rule 2014, sections 17AB, 17BC and 28C.

12 Department of the 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)*, August 2016, pp. 4–5. In the case of a wholly-owned Commonwealth company, or a Commonwealth company that is not required to hold an annual general meeting, the PGPA Act states that "the responsible Minister must table the documents in each House of the Parliament as soon as practicable after receiving them. In all other cases, the responsible Minister must table the documents in each House of the Parliament as soon as practicable after the annual general meeting of the company". (*Public Governance, Performance and Accountability Act 2013*, ss. 97(5).)

13 *Acts Interpretation Act 1901*, ss. 34C(6).

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the Independent Review to consider specifying a date for the tabling of annual reports before Supplementary Budget Estimates.<sup>14</sup>

1.27 In its final report, the Independent Review supported improving the timeliness and scrutiny of annual reports by amending the PGPA Act and Rule to require the responsible Minister to table entity annual reports in the Parliament by 30 September each year. The report recommended:

30. *[Subject to the implementation of Recommendation 31]* Annual reports should be presented to the Parliament on or before 30 September. This would ensure the Parliament has annual reports available before the Senate Supplementary Budget Estimates hearings. Annual reports should be presented to the responsible minister no later than seven days before this date.

31. The Parliament and the Department of Finance should continue to implement a fully digital reporting platform and reporting process for annual reports and other relevant reporting requirements, with a view to Commonwealth entities phasing out hard copy reporting by 2019-20. Sufficient resources and funding should be allocated to achieve this goal.<sup>15</sup>

1.28 The Independent Review also recommended that the Senate increase its scrutiny of performance information reported by Commonwealth entities at Senate Estimates hearings, including a requirement that accountable authorities provide a statement at those hearings that summarises entity performance information over the relevant reporting period.<sup>16</sup>

1.29 As noted above, the government accepted, in principle, 48 out of the 52 recommendations of the Independent Review and encouraged 'sympathetic consideration' of the four remaining recommendations not directly within its area of responsibility.<sup>17</sup> The committee supports all the recommendations of the Independent Review and will continue to monitor the implementation of the recommendations over the next reporting period.

### ***Timeliness of reports examined***

1.30 The committee notes that, despite the clear guidance contained in the *Guidelines for the Presentation of Documents to the Parliament*, the majority of

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14 See JCPAA, *Report 463: Commonwealth Financial Statements—Inquiry Based on Auditor-General's Report 33 (2016-17)*, August 2017, pp. 12–13.

15 *Independent Review into the operation of the Public Governance, Performance and Accountability Act 2013 and Rule*, September 2018, p. 6.

16 *Independent Review into the operation of the Public Governance, Performance and Accountability Act 2013 and Rule*, September 2018, p. 6.

17 Senator the Hon Mathias Cormann, Minister for Finance and the Public Service, *Australian Government response to the Independent Review into the PGPA Act 2013 and Rule*, dated 2 April 2019, p. 1.

annual reports for Commonwealth entities within the Communications and the Arts and the Environment and Energy portfolios did not meet the recommended timeframe for the tabling of annual reports in the Parliament prior to the commencement of Supplementary Budget Estimates.

1.31 The following agencies did not table their annual reports in either House of Parliament by the responsible Minister prior to the committee's Supplementary Budget Estimates hearings on 22 and 23 October 2018:

- Australia Business Arts Foundation Limited;
- Australia Council for the Arts;
- Australian Broadcasting Corporation;
- Australian National Maritime Museum;
- Australian Renewable Energy Agency;
- Bureau of Meteorology;
- Clean Energy Finance Corporation;
- Clean Energy Regulator;
- Department of Communications and the Arts;
- Department of the Environment and Energy;
- Director of National Parks;
- Great Barrier Reef Marine Park Authority;
- National Library of Australia;
- NBN Co Limited;
- Old Parliament House;
- Screen Australia; and
- Special Broadcasting Service Corporation.

1.32 The following agencies tabled annual reports in the House of Representatives and/or the Senate, prior to or on the date of, the committee's Supplementary Budget Estimates hearings on 22 and 23 October 2018:

- Australian Communications and Media Authority and the Office of the eSafety Commissioner;
- Australian Film, Television and Radio School;
- Australian Postal Corporation;
- Bundanon Trust;
- Climate Change Authority;
- National Film and Sound Archive;
- National Gallery of Australia;



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- National Museum of Australia;
  - National Portrait Gallery of Australia; and
  - Sydney Harbour Federation Trust.

1.33 The committee reminds all agencies that, in accordance with best practice guidance, their annual reports should be tabled prior to Supplementary Budget Estimates. This will ensure that there is sufficient time for the committee to consider the content and performance information provided in annual reports prior to the commencement of its Supplementary Budget Estimates hearings, which in 2019 are scheduled to commence on 21 October.

1.34 The committee notes that the 2016-17 annual report of the National Environment Protection Council (NEPC), while tabled in accordance with its statutory requirements, was provided to the Parliament more than 12 months after the reporting period covered. The committee expects that future NEPC annual reports will be prepared and presented to the Parliament in a more timely manner. This will ensure that the Parliament has access to the most up-to-date assessment on the implementation and effectiveness of National Environmental Protection Measures across Commonwealth, state and territory jurisdictions.

1.35 Appendix 1 lists the annual reports tabled (or presented) in the Senate and the House of Representatives between 1 May 2018 and 30 April 2019 and referred to the committee, with relevant tabling dates.

1.36 Appendix 2 lists documents tabled (or presented) in the Senate and House of Representatives between 1 May 2018 and 30 April 2019 and referred to the committee, with relevant tabling dates.

### **Senate debate**

1.37 In accordance with Standing Order 25(20)(d), the committee is required to take into account any relevant remarks about annual reports made in debate in the Senate. The committee notes that on 5 December 2018, Senator Lisa Singh commented on the annual report of the Clean Energy Finance Corporation.<sup>18</sup>

### **Australian National Audit Office reports**

1.38 The Australian National Audit Office (ANAO) conducted audits of the financial statements of Commonwealth entities for the 2017-18 reporting period and presented its findings in its report *Audits of the Financial Statements of Australian Government Entities for the Period Ended 30 June 2018*. The report identified one unresolved moderate audit finding for the Department of Communications and the Arts, as well as one new and one unresolved moderate audit finding for agencies within the Environment and Energy portfolio.

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18 Senator the Hon Lisa Singh, *Senate Hansard*, 5 December 2018, p. 9565.

1.39 In relation to the Department of Communications and the Arts, the ANAO report identified one unresolved finding regarding 'risk management practices' relating to the administration of a loan arrangement between the government and NBN Co Limited (NBN Co).

1.40 The ANAO noted that the department 'had not established the practices necessary to manage the risks associated with the loan facility' and that the failure to establish such practices 'significantly increases the Commonwealth's risk of exposure to loss'.<sup>19</sup> The ANAO went on to note that the department was 'reviewing the governance and risk management arrangements to better support the ongoing management of the loan facility' and that information on the government's subsequent changes to the loan agreement were included in the department's 2017-18 financial statements.<sup>20</sup>

1.41 One new moderate audit finding was also identified by the ANAO in relation to the Clean Energy Regulator's (CER) privileged user management system. The CER has advised the ANAO that it will implement procedures to address the weaknesses identified in the report. The committee notes that the ANAO will review the CER's response as part of its 2018-19 audit.<sup>21</sup>

1.42 The report also identified an unresolved moderate audit finding in relation to the Director of National Parks (DNP) identification, valuation and classification of assets for the Kakadu and Booderee National Parks. The report noted that the DNP 'partially agreed with the ANAO's assessment that the weaknesses identified continued to pose a moderate risk to the financial statements'.<sup>22</sup> The ANAO also noted that a previous moderate audit finding in relation to the DNP's financial statement quality control and preparation process had now been downgraded to a minor audit finding.<sup>23</sup>

### **Non-reporting bodies**

1.43 Standing Order 25(20)(h) requires that the committee report on any bodies which do not present annual reports to the Senate but should present such reports. The committee notes that there are no relevant bodies which are required to present an annual report to the Senate which have not done so.

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19 Australian National Audit Office, *Audits of the Financial Statements of Australian Government Entities for the Period Ended 30 June 2018*, Audit Report No. 19, 2018-19, pp. 78–79.

20 Australian National Audit Office, *Audits of the Financial Statements of Australian Government Entities for the Period Ended 30 June 2018*, Audit Report No. 19, 2018-19, p. 79.

21 Australian National Audit Office, *Audits of the Financial Statements of Australian Government Entities for the Period Ended 30 June 2018*, Audit Report No. 19, 2018-19, pp. 124–125.

22 Australian National Audit Office, *Audits of the Financial Statements of Australian Government Entities for the Period Ended 30 June 2018*, Audit Report No. 19, 2018-19, p. 125.

23 Australian National Audit Office, *Audits of the Financial Statements of Australian Government Entities for the Period Ended 30 June 2018*, Audit Report No. 19, 2018-19, p. 125.

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## **Apparently satisfactory**

1.44 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.

1.45 The committee notes that some agencies had incorrect or incomplete page references in their compliance indexes and that the Climate Change Authority's annual report failed to provide any page references in its index of mandatory requirements. The committee suggests that providing accurate page references for all relevant PGPA Rule requirements will improve the overall accessibility of agency annual reports.

1.46 The committee also notes that some reports indicated large page ranges for some references, and in the case of the Clean Energy Finance Corporation annual report, referenced whole chapters in which to locate specific information. The committee expects all agencies to ensure that their future compliance indexes are in line with PGPA Act and Rule requirements.

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



# Chapter 2

## Review of selected reports

2.1 The committee provides the following comments on the annual reports of the two portfolio departments referred to it as well as reports from two agencies within each portfolio as follows:

- Department of the Environment and Energy;
- Bureau of Meteorology;
- Clean Energy Regulator;
- Department of Communications and the Arts;
- Australian Communications and Media Authority; and
- National Library of Australia.

### Environment and Energy portfolio

#### *Department of the Environment and Energy*

2.2 The Department of the Environment and Energy Annual Report 2017-18 was presented out-of-sittings to the Senate on 31 October 2018 and subsequently tabled in the Senate on 12 November 2018. The Secretary's message provided an overview of the department's activities during 2017-18, including:

- the introduction of mandatory reporting of petroleum and other liquid fuels;
- the continued implementation of the Australian Antarctic Strategy and 20 Year Action Plan;
- the \$443 million partnership with the Great Barrier Reef Foundation;
- the introduction of the *Product Emissions Standards Act 2017*; and
- the release of the department's *People Strategy 2018–2022*.<sup>24</sup>

#### *Performance reporting*

2.3 In response to the recommendations of the Australian National Audit Office (ANAO) report *Implementation of the Annual Performance Statement requirements 2016-17*, the department revised the performance measures outlined in its corporate plan during the 2017-18 reporting cycle. The annual report noted:

The revised performance measures were included in a re-release of the *Department of the Environment and Energy Corporate Plan 2017-18*. The intention to use these for the 2017-18 reporting cycle was published on

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24 Department of the Environment and Energy, *Annual Report 2017-18*, pp. 2–3.

the Department's website. The revised measures provide a more relevant and complete set of indicators by which to assess the Department's performance. No changes were made to the Department's purposes and activity structure, and their relationship to the outcomes and purposes in the Department's 2017-18 PBS was not altered.<sup>25</sup>

2.4 The annual performance statements in the 2017-18 annual report were detailed and reflect the alignment of the purposes and activities contained in the department's revised corporate plan with the programs and outcomes outlined in the Portfolio Budget Statements (PBS). Each of the performance measures, including criteria and targets were presented with a summary of the results achieved and included references to relevant data and performance sources. The department reported that it achieved 62 per cent and partly achieved 36 per cent of the performance measures across its four purposes and outcomes.<sup>26</sup> The report noted that one target in relation to the meeting of statutory timeframes was not achieved in the 2017-18 reporting period.<sup>27</sup>

2.5 The committee notes that some targets outlined in the department's PBS do not appear to be accounted for in its corporate plan or performance statements. For example, both the PBS and Portfolio Additional Estimates Statements (PAES) for 2017-18 listed 'contracted projects to plant 20 million trees in place by June 2020' as one of the targets under the relevant performance criterion.<sup>28</sup> However, discussion of this target is missing from the revised corporate plan and performance statements.

2.6 The committee reminds the department that the performance statements should directly reflect the results achieved against the planned performance criteria (including any targets) set-out in the department's PBS for the period under review. The committee expects this information will be included in future annual reports so that the department's performance can be appropriately assessed.

2.7 In accordance with paragraph 17AH(1)(e) of the PGPA Rule, the department reported three corrections to material errors in its 2016-17 annual report. This included a correction to the number of allegations/enquiries of potential non-compliance, including those that resulted in compliance cases under the criterion 'improved compliance with national environmental legislation'. The 2016-17 annual report should have stated that 'the Department received 486 allegations of/enquiries about potential non-compliance with Part 3 of the EPBC Act. This resulted in 81 new compliance cases'.<sup>29</sup> The other two corrections related to the total cost of the 'Greening

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25 Department of the Environment and Energy, *Annual Report 2017-18*, p. 16.

26 Department of the Environment and Energy, *Annual Report 2017-18*, p. 22.

27 Department of the Environment and Energy, *Annual Report 2017-18*, pp. 43–45.

28 Commonwealth of Australia, *Environment and Energy Portfolio Budget Statements 2017-18: Budget Related Paper No. 1.7*, p. 43; Commonwealth of Australia, *Environment and Energy Portfolio Additional Estimates Statements 2017-18*, p. 28.

29 Department of the Environment and Energy, *Annual Report 2017-18*, p. 311.

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in the west of Melbourne' stream and the number of EPBC Act approval of actions in 2016-17.<sup>30</sup>

2.8 Overall, the committee considers that the department has met its reporting requirements and its 2017-18 annual report is 'apparently satisfactory'.

### *Financial reporting*

2.9 The annual report provided a summary of departmental and administered finances, including commentary in relation to significant changes in financial results from the 2016-17 financial year. The committee notes that the department reported a break-even departmental appropriation result for 2017-18. The annual report stated:

The financial performance presented in the financial statements also includes the non-cash income and expense items such as revaluations, depreciation and amortisation, and changes to provisions for restoration obligations in the Australian Antarctic regions. The value of these items makes up the net cost of services and the operating result in the financial statements. Taking into consideration the non-cash expenses resulted in an operating deficit of \$116.31 million. Offsetting this is the non-cash revaluation surplus, resulting in a total comprehensive gain of \$18.48 million.<sup>31</sup>

### *Bureau of Meteorology*

2.10 The Bureau of Meteorology (BoM) Annual Report 2017-18 was tabled in the House of Representatives on 24 October 2018 and in the Senate on 12 November 2018.

2.11 The review by the Chief Executive Officer and Director of Meteorology, Dr Andrew Johnson, provided an overview of some of BoM's achievements in the 2017-18 reporting period, including:

- the delivery of BoM's *Strategy 2017–2022*, including implementing an organisation restructure to align the agency with the new strategy;
- strengthening BoM's relationships with existing partners and stakeholders, including a new strategic relationship with the Australian Broadcasting Corporation (ABC);
- the release of the *Gender Equality Action Plan 2017–2022*;
- an increase in the proportion of Aboriginal and Torres Strait Islander staff from 1.2 per cent in 2016-17 to 1.4 per cent in 2017-18; and

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30 Department of the Environment and Energy, *Annual Report 2017-18*, p. 311.

31 Department of the Environment and Energy, *Annual Report 2017-18*, p. 8.

- the announcement of further funding to improve BoM's information and communication technology (ICT) and observation systems.<sup>32</sup>

### *Performance reporting*

2.12 BoM's 2017-18 performance statements were comprehensive and reported the results achieved against the agency's purpose and performance measures as set out in the 2017-18 corporate plan and PBS. BoM has measured and assessed its performance using 19 'strategic success measures' aligned to four 'strategic pillars', as defined in the BoM's *Strategy 2017–2022*. These included 'impact and value', 'operational excellence', 'insight and innovation', and the 'Bureau way'. BoM reported that it 'met expectations' against 17 of these measures and 'did not meet expectations' against two measures during the reporting period. The annual report also provided an update on the development of capabilities across five broad themes identified in its corporate plan including: strategy; relationships and geographical footprint; people; infrastructure; and asset management and financial sustainability.<sup>33</sup>

2.13 As part of the implementation of its *Strategy 2017–2022*, BoM has made changes to its organisational structure that took effect during the reporting period. The new structure comprises six groups (compared to the previous five divisions), namely: national forecast services; business solutions; data and digital; science and innovation; strategy and performance; and corporate services. The annual report includes a description of each group and comments on how they delivered their programs and outcomes in 2017-18.

2.14 BoM has again included a summary of national weather events that occurred during the reporting period in its annual report.<sup>34</sup> The summary provided a succinct description of significant weather events for each month, including the relevant dates and locations. The annual report also presented useful comparative trend data on the accuracy of annual temperature, rainfall and wind forecasts, which the committee found to be helpful and informative.<sup>35</sup>

2.15 The committee is pleased to note, following comments in its *Report on Annual Reports (No. 1 of 2018)*, that BoM has included accurate page references in the annual report's list of requirements. This allowed the committee to more readily locate and evaluate all relevant information in the annual report.

2.16 The committee considers that BoM has met its reporting obligations as a non-corporate Commonwealth entity under the PGPA Act and PGPA Rule and its annual report for 2017-18 is 'apparently satisfactory'.

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32 Bureau of Meteorology, *Annual Report 2017-18*, pp. 2–4.

33 Bureau of Meteorology, *Annual Report 2017-18*, pp. 20–21.

34 Bureau of Meteorology, *Annual Report 2017-18*, pp. ix–xii.

35 Bureau of Meteorology, *Annual Report 2017-18*, pp. 29–32.



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### *Financial reporting*

2.17 The annual report states that BoM recorded an operating surplus, excluding depreciation for 2017-18, of \$9.92 million. This compared to a budgeted operating surplus of \$5.99 million.<sup>36</sup> BoM stated:

This surplus is largely due to external revenue for capital assets. After including depreciation, the operating result was a deficit of \$81.01 million in 2017-18, compared to a deficit of \$72.23 million in 2016-17.<sup>37</sup>

### *Clean Energy Regulator*

2.18 The Clean Energy Regulator (CER) Annual Report 2017-18 was tabled in the House of Representatives on 25 October 2018 and in the Senate on 12 November 2018.

2.19 The CER is a non-corporate Commonwealth entity established under the *Clean Energy Regulator Act 2011* as an independent statutory authority. The CER is responsible for administering schemes established by government legislation, including the Emissions Reduction Fund, National Greenhouse and Energy Reporting scheme, Renewable Energy Target, as well as the online registries and systems to enable participation in the schemes.<sup>38</sup> The CER is responsible for delivering the following outcome:

Contribute to a reduction in Australia's net greenhouse gas emissions, including through the administration of market based mechanisms that incentivise reduction in emissions and the promotion of additional renewable electricity generation.<sup>39</sup>

2.20 The CER delivers its outcome and achieves its purpose of 'accelerating carbon abatement for Australia' through one program and four associated strategies detailed in the agency's 2017-18 PBS.<sup>40</sup>

2.21 A distinction is made within the CER's structure between the Regulator Board and the agency. The Regulator Board, including the Chair and Members, is responsible for setting the strategic direction for the agency's administration of its regulatory schemes, while the agency supports the Regulator Board and is led by the Chair as head of the agency.<sup>41</sup>

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36 Bureau of Meteorology, *Annual Report 2017-18*, p. 128.

37 Bureau of Meteorology, *Annual Report 2017-18*, p. 128.

38 Clean Energy Regulator, *Annual Report 2017-18*, p. 4.

39 Clean Energy Regulator, *Annual Report 2017-18*, p. 18.

40 Commonwealth of Australia, *Environment and Energy Portfolio Budget Statements 2017-18: Budget Related Paper No. 1.7*, p. 168.

41 Clean Energy Regulator, *Annual Report 2017-18*, p. 6.

2.22 The Chair, Mr David Parker AM, provided a concise overview of the CER's activities and achievements in 2017-18. Some of the reported activities included:

- accrediting three times as many large-scale renewable energy power stations compared to the previous reporting period;
- facilitating the integration of renewables into the electricity system;
- delivering 32.8 million tonnes of scheduled carbon abatement;
- collaborating with the solar industry on a new app based regulatory scheme to validate solar panel installation and reduce the potential for fraud; and
- the development of guidance on native title matters for Emissions Reduction Fund projects.<sup>42</sup>

### *Performance reporting*

2.23 The CER has reported on its performance against the key performance criteria and objectives outlined in both its PBS and corporate plan. These are clearly reflected in the CER's 2017-18 performance statements and measure the agency's performance against four objectives:

- engaged, active and compliant clients;
- efficient and effective administration;
- a trusted, relevant and expert institution; and
- secure and enduring infrastructure.<sup>43</sup>

2.24 The CER has assessed its performance using key performance indicators (KPIs) for each of these four objectives and compared the results achieved against the previous reporting period. The committee notes that during 2017-18, 10,923,950 Australian carbon credit units (ACCUs) were delivered, which represented 91 per cent of the 12,029,112 ACCUs originally scheduled.<sup>44</sup> The report also noted that 99.7 per cent of regulated and liable entities were materially compliant with their statutory obligations.<sup>45</sup> Both these results exceeded the targets expressed in the CER's 2017-18 PBS. Some performance indicators could not be compared because they were either 'not applicable' or 'not reported against' in 2016-17.

2.25 The annual report also provided detailed information on the performance of each of the statutory schemes administered by the CER, as well as the online registries and systems, including the Australian National Registry of Emissions Units, Emissions and Energy Reporting System, Renewable Energy Certificate Registry,

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42 Clean Energy Regulator, *Annual Report 2017-18*, pp. 15–17.

43 Clean Energy Regulator, *Annual Report 2017-18*, p. 10.

44 Clean Energy Regulator, *Annual Report 2017-18*, p. 34.

45 Clean Energy Regulator, *Annual Report 2017-18*, p. 37.

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Client Portal and CER website.<sup>46</sup> This supplemented the performance information provided in the performance statements and was supported by relevant graphs, tables and case studies, which the committee found to be relevant and informative.

2.26 The CER reported four significant breaches of government administrative, legal and policy requirements in 2017-18. These included a breach of privacy that was raised and determined in 2018, as well as three breaches of the *Clean Energy Regulator Act 2011* in relation to secrecy provisions.<sup>47</sup> The CER responded to the last three breaches by providing 'training on disclosure and advice on non-compliance disclosure obligations to relevant staff to ensure such breaches do not occur again'.<sup>48</sup>

2.27 The committee considers that the CER has met its reporting obligations and that its annual report is 'apparently satisfactory'.

### *Financial reporting*

2.28 The committee notes that the CER reported an operating surplus before depreciation and amortisation of \$2.388 million in 2017-18. The annual report comments that the surplus was 'largely attributable to lower than anticipated employee benefits and supplier expenditure'.<sup>49</sup> This compared to an operating surplus of \$7.591 million recorded for the previous reporting period.<sup>50</sup>

## **Communications and the Arts portfolio**

### *Department of Communications and the Arts*

2.29 The Department of Communications and the Arts Annual Report 2017-18 was presented out-of-sittings to the Senate on 31 October 2018 and subsequently tabled in the Senate on 12 November 2018.

2.30 In his review, the Secretary of the department, Mr Mike Mrdak AO, provided an overview of the department's activities for the 2017-18 reporting period and detailed the department's outlook and focus for the next four years. Some of the reported highlights included:

- continued support and monitoring for the rollout of the National Broadband Network, including the launch of the first wide-scale rollout of fibre to the curb services in the world;

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46 Clean Energy Regulator, *Annual Report 2017-18*, pp. 86–88.

47 Clean Energy Regulator, *Annual Report 2017-18*, p. 32.

48 Clean Energy Regulator, *Annual Report 2017-18*, p. 32.

49 Clean Energy Regulator, *Annual Report 2017-18*, p. 127.

50 Clean Energy Regulator, *Annual Report 2016-17*, p. 101.

- support for the development of improved online safety by helping to secure an additional \$14.2 million to assist the work of the Office of the eSafety Commissioner over the next four years;
- continued progress and implementation of the Mobile Black Spot Program;
- supporting the implementation of the government's response to the Productivity Commission's *Inquiry into Intellectual Property Arrangements* by commencing consultations on website blocking measures and copyright modernisation; and
- supporting the preservation of Aboriginal and Torres Strait Islander languages through the Indigenous Languages and Arts program.<sup>51</sup>

### *Performance reporting*

2.31 The department's annual performance statements were clearly set out and reported the results achieved against the planned performance measures and targets outlined in the corporate plan and PBS. These were satisfactorily mapped in the annual report and the source and location of all performance information was clearly provided. The committee notes that, in 2017-18, the department measured its performance against eight 'intended results' across three 'strategic priorities' identified in the corporate plan. The annual report noted that the department had 'met' 16 of the 22 performance measures outlined in the corporate plan, while the remaining six performance measures were reported as being 'in progress'.<sup>52</sup>

2.32 The report also provided relevant information on the management and accountability practices of the department, including changes to the department's governance framework since the last reporting period. This included the establishment of a new Governance Branch in December 2017 and changes to the department's governance committee framework following a review in 2017-18.<sup>53</sup>

2.33 The annual report noted a reduction in the department's total expenditure on consultancy contracts from \$2.581 million in 2016-17 to \$2.159 million in 2017-18 and included a helpful table detailing the reduction in expenditure over the last three reporting periods.<sup>54</sup> The committee welcomes the inclusion of this information. However, it notes that the department should be mindful that in future annual reports it 'clearly distinguishes between expenditure on new consultancies compared to ongoing consultancies for each reporting period' as required by the PGPA Rule.<sup>55</sup>

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51 Department of Communications and the Arts, *Annual Report 2017-18*, pp. 2–7.

52 Department of Communications and the Arts, *Annual Report 2017-18*, pp. 21–22.

53 Department of Communications and the Arts, *Annual Report 2017-18*, pp. 82–85.

54 Department of Communications and the Arts, *Annual Report 2017-18*, pp. 102–103.

55 Department of Finance, *Resource Management Guide No. 135: Annual report for non-corporate Commonwealth entities*, May 2018, p. 27.

2.34 The committee considers that the department has met its reporting obligations and its 2017-18 annual report is 'apparently satisfactory'.

### *Financial reporting*

2.35 The department reported an operating surplus of \$5.6 million for the financial year 2017-18. This compared to an operating deficit of \$0.3 million recorded for the previous reporting period. The report stated:

The surplus excluding depreciation was \$9.5 million, which is primarily the result of recognising a gain from the transfer of leasehold fitout from the Department of Industry, Innovation and Science on 1 July 2017, following relocation of the department's Canberra office to the Nishi Building at 2 Phillip Law Street, New Acton, Canberra City.<sup>56</sup>

### *Australian Communications and Media Authority*

2.36 The Australian Communications and Media Authority (ACMA) Annual Report 2017-18 was tabled in the House of Representatives on 18 October 2018 and in the Senate on 12 November 2018. The committee notes that this is the first annual report presented by the new Chair, Ms Nerida O'Loughlin, who commenced on 14 October 2017.

2.37 ACMA is a non-corporate Commonwealth entity established under the *Australian Communications and Media Authority Act 2005* as an independent statutory authority. ACMA is responsible for ensuring that Australia's media and communications legislation, related regulations, and numerous derived standards and codes of practice operate effectively and efficiently, and in the public interest. ACMA has responsibilities under four principal Acts: the *Radiocommunications Act 1992*, the *Telecommunications Act 1997*, the *Telecommunications (Consumer Protection and Service Standards) Act 1999* and the *Broadcasting Services Act 1992*. There are another 22 Acts to which the agency responds in areas such as spam, the Do Not Call Register, and interactive gambling.<sup>57</sup>

2.38 The committee notes that the Office of the eSafety Commissioner (the OeSC) is established under the *Enhancing Online Safety Act 2015* (EOS Act) as an independent statutory office within ACMA. Under the EOS Act, ACMA is required to provide staffing and corporate support services to the OeSC. The committee also notes that for the purposes of preparing financial statements, ACMA and the OeSC report as a single financial entity and the OeSC's annual report has been presented alongside that of ACMA.

2.39 The Chair's foreword highlighted some of the key activities that were undertaken by the ACMA during the reporting period. In the foreword,

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56 Department of Communications and the Arts, *Annual Report 2017-18*, p. 99.

57 Australian Communications and Media Authority, *Annual Report 2017-18*, p. 21.

Ms O'Loughlin acknowledged the contribution of Mr Richard Bean in his role as Acting ACMA Chair from 2016 and as Deputy Chair from 2010. Some of the other highlighted activities included:

- ACMA's continued implementation of the recommendations from the final report of the ACMA Review;
- the announcement of regulatory measures to give consumers greater protections when migrating to services under the National Broadband Network;
- the implementation of new restrictions on gambling services following changes to the *Interactive Gambling Act 2001*;
- providing radiocommunications interference management support for the Gold Coast 2018 Commonwealth Games; and
- the auction of multiband residual lots spectrum.<sup>58</sup>

### *Performance reporting*

2.40 The annual report provided a detailed discussion and analysis of ACMA's results against the performance measures and targets set out in the PBS and corporate plan, as well as relevant KPIs under the Regulator Performance Framework (RPF). These results were discussed under three strategies aligned to ACMA's outcome and programs detailed in the 2017-18 PBS, including public resource management; safeguards, advice and education; and enabling strategies. Performance measures have been recorded as either 'met', 'ongoing', 'partially met' or 'not met' during the reporting period. The annual report noted that ACMA met all performance measures for two of the three programs outlined in the PBS, namely:

- Program 1.1: Communications regulation, planning and licensing; and
- Program 1.2: Consumer safeguards, education and information.<sup>59</sup>

2.41 The report also noted that ACMA met nine and partially met two performance measures in relation to the enabling strategies outlined in its corporate plan. The two performance measures where targets were partially met related to the delayed publication of ACMA's whole-of-agency forward work program and to its international operational plan for 2018-19. The annual report stated that the publication of both documents had been delayed because of resourcing and timing issues and ACMA's review of its international engagement strategy.<sup>60</sup>

2.42 The OeSC reported its performance against key deliverables under the same outcome as ACMA, as well as performance measures relating solely to the work of the OeSC under *Program 1.3: Office of the eSafety Commissioner*. The annual report

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58 Australian Communications and Media Authority, *Annual Report 2017-18*, pp. 15–17.

59 Australian Communications and Media Authority, *Annual Report 2017-18*, pp. 30–37.

60 Australian Communications and Media Authority, *Annual Report 2017-18*, p. 41.

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noted that the OeSC met all of the performance measures as outlined in the 2017-18 PBS. This included the actioning of over 95 per cent of complaints received within 48 hours, as well as finalising over 75 per cent of complaints within five working days.<sup>61</sup> The OeSC reported completing 99 per cent of its investigations into child sexual abuse material items and actioning 90 per cent of all online content complaints within two business days.<sup>62</sup>

2.43 The committee considers that both ACMA and the OeSC have met their respective reporting obligations and their annual reports are 'apparently satisfactory'.

#### *Financial reporting*

2.44 The committee notes that, in 2017-18, ACMA reported administering \$3.608 billion in revenue collected through broadcasting, radiocommunications and telecommunications taxes, levies, fees and charges on behalf of the government, as well as \$5 million in associated expenses.<sup>63</sup> This compared to \$1.008 billion collected during the previous reporting period. The annual report noted that the increase in revenue was largely attributable to the sale of spectrum radio communication multi-year licences.<sup>64</sup>

2.45 ACMA reported a deficit attributable to the government of \$13.844 million for the year ending 30 June 2018.<sup>65</sup> ACMA commented:

The deficit recorded is higher than initially anticipated due primarily to the increase in scope of work undertaken by the Office of the eSafety Commissioner. In addition, due to the nature of the Enhancing Online Safety special account, unspent prior year appropriations do not lapse and were subsequently utilised during 2017-18.<sup>66</sup>

#### *National Library of Australia*

2.46 The National Library of Australia (Library) Annual Report 2017-18 was presented out-of-sittings to the Senate on 30 October 2018 and subsequently tabled in the Senate on 12 November 2018.

2.47 The Library is a corporate Commonwealth entity established by the *National Library Act 1960*. The purpose of the Library is to ensure that 'documentary resources of national significance relating to Australia and the Australian people, together with significant non-Australian library materials, are collected, preserved and made

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61 Australian Communications and Media Authority, *Annual Report 2017-18*, p. 121.

62 Australian Communications and Media Authority, *Annual Report 2017-18*, p. 127.

63 Australian Communications and Media Authority, *Annual Report 2017-18*, p. 146.

64 Australian Communications and Media Authority, *Annual Report 2017-18*, p. 228.

65 Australian Communications and Media Authority, *Annual Report 2017-18*, p. 208.

66 Australian Communications and Media Authority, *Annual Report 2017-18*, p. 213.

accessible through the Library and through collaborative arrangements with other libraries and information providers'.<sup>67</sup>

2.48 The Library has three strategic priorities that were outlined in the Library's corporate plan and annual report:

- build the nation's memory;
- make access happen; and
- lead, partner, connect and excel.<sup>68</sup>

2.49 The Chair's Report and Director-General's Review together provided an overview of the activities and achievements of the Library in 2017-18. These included:

- realising major benefits from the first year of operation of the Digital Library Infrastructure Replacement project (delivered on time and on budget in 2017 after five years, and winning major awards in late 2017 from the Australian Institute of Project Management);
- achieving excellent progress with redeveloping the Library's discovery platform Trove, finalising a development roadmap, and pursuing new business models aimed at increasing co-investment by partners in Trove;
- reviewing the achievements and outcomes of the first 10 years of the Library's fundraising program, leading to a significant shift in approach and emphasis to achieve greater digitising of Australia's documentary heritage;
- completing a project to replace the marble facade of the Library's building in Parkes, Canberra; and
- presenting major public exhibitions, hosting Library fellows to conduct research in the Library, and launching a campaign over multiple channels to celebrate the 50th anniversary of the Library building.<sup>69</sup>

### *Performance reporting*

2.50 The annual report provided a detailed assessment of the Library's activities and results intended to give effect to the strategic directions statement in the PBS, as well as the performance priorities and focus activities established in the Library's corporate plan. The Library has also used qualitative information to evaluate its performance and assess whether targets were met or not met during the reporting period. The report noted that 18.52 million participants engaged with the Library online in 2017-18, well above the 16.3 million target set in the PBS and corporate plan. The annual report also noted that access figures for 2017-18 show a 'significant

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67 National Library of Australia, *Annual Report 2017-18*, p. 16.

68 National Library of Australia, *Annual Report 2017-18*, p. 16.

69 National Library of Australia, *Annual Report 2017-18*, pp. 3-9.



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turnaround in the use of, and engagement with, the Library's physical and digital collections'.<sup>70</sup> The Library also reported meeting its 90 per cent target of stakeholders that identify the Library as a trusted leader.<sup>71</sup>

2.51 The committee notes that the Library fell short of meeting its 33 000 target for the number of Australian publications collected through legal deposit. The report commented that the target 'was ambitious and success dependent in part on the acquisition of bulk content via edeposit' and that the target was not met 'principally due to the delayed receipt of anticipated material'.<sup>72</sup> The report noted that 'on average' the Library acquired 83 per cent of Australian published materials in 2017-18, 2 per cent below its target of 85 per cent. However, it stated that 'the Library made improvements between January and June 2018 where sampling confirmed acquisition of 85 per cent Australian published materials' for the same period.<sup>73</sup>

2.52 The report has included helpful snapshots of the number of onsite and online visitors to the Library, statistics on visitor and user reach, increases in physical and digital items in the collection, as well as figures on the usage of the Trove website. The annual report also included informative case studies that complemented the Library's discussion of its performance over the reporting period.

2.53 The committee considers that the Library has met its reporting obligations as a corporate Commonwealth entity under the PGPA Act and Rule and its annual report is 'apparently satisfactory'.

#### *Financial reporting*

2.54 The Library recorded a deficit on continuing operations of \$4.474 million for the financial year 2017-18. This compared to a deficit of \$3.485 million reported in 2016-17.<sup>74</sup>

### **Senator the Hon David Fawcett Chair**

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70 National Library of Australia, *Annual Report 2017-18*, p. 35.

71 National Library of Australia, *Annual Report 2017-18*, p. 39.

72 National Library of Australia, *Annual Report 2017-18*, p. 23.

73 National Library of Australia, *Annual Report 2017-18*, p. 23.

74 National Library of Australia, *Annual Report 2017-18*, p. 54.



# Appendix 1

## Dates relating to the presentation of annual reports between 1 May 2018 and 30 April 2019

Reporting Body	Submitted to Minister	Received by Minister	Tabled in the House of Representatives	Tabled in the Senate
<b>Communications and the Arts Portfolio</b>				
Audio-Visual Copyright Society Limited (Screenrights)—Report for 2017-18	6/11/2018	9/11/2018	6/12/2018	12/02/2019
Australia Business Arts Foundation Limited (Creative Partnerships Australia)—Annual Report 2017-18	8/10/2018	8/10/2018	26/11/2018	12/11/2018 (31/10/2018)*
Australia Council for the Arts—Annual Report 2017-18	21/09/2018	24/09/2018	26/11/2018	12/11/2018 (31/10/2018)*
Australian Broadcasting Corporation—Annual Reports 2017-18	5/10/2018	5/10/2018	26/11/2018	12/11/2018 (31/10/2018)*
Australian Communications and Media Authority and the Office of the eSafety Commissioner—Annual Reports 2017-18	24/09/2018	24/09/2018	18/10/2018	12/11/2018
Australian Film, Television and Radio School—Annual Report 2017-18	3/10/2018	3/10/2018	22/10/2018	12/11/2018
Australian National Maritime Museum—Annual Report 2017-18	4/10/2018	5/10/2018	26/11/2018	12/11/2018 (31/10/2018)*

<b>Reporting Body</b>	<b>Submitted to Minister</b>	<b>Received by Minister</b>	<b>Tabled in the House of Representatives</b>	<b>Tabled in the Senate</b>
Australian Postal Corporation—Annual Report 2017-18	4/10/2018	5/10/2018	18/10/2018	12/11/2018
Bundanon Trust—Annual Report 2017-18	18/09/2018	18/09/2018	16/10/2018	16/10/2018
Classification Board and Classification Review Board—Annual Reports 2017-18	20/09/2018	20/09/2018	24/10/2018	12/11/2018
Copyright Agency Limited—Report for 2017-18	19/10/2018	22/10/2018	4/12/2018	4/12/2018
Department of Communications and the Arts—Annual Report 2017-18	27/09/2018	27/09/2018	26/11/2018	12/11/2018 (31/10/2018)*
National Film and Sound Archive—Annual Report 2017-18	8/10/2018	8/10/2018	23/10/2018	12/11/2018
National Gallery of Australia—Annual Report 2017-18	19/09/2018	19/09/2018	22/10/2018	12/11/2018
National Library of Australia—Annual Report 2017-18	20/09/2018	21/09/2018	26/11/2018	12/11/2018 (30/10/2018)*
National Museum of Australia—Annual Report 2017-18	4/10/2018	5/10/2018	23/10/2018	12/11/2018
National Portrait Gallery of Australia—Annual Report 2017-18	3/10/2018	3/10/2018	23/10/2018	12/11/2018
NBN Co Limited—Annual Report 2017-18	15/10/2018	15/10/2018	26/11/2018	12/11/2018 (31/10/2018)*

<b>Reporting Body</b>	<b>Submitted to Minister</b>	<b>Received by Minister</b>	<b>Tabled in the House of Representatives</b>	<b>Tabled in the Senate</b>
Old Parliament House—Annual Report 2017-18	21/09/2018	21/09/2018	24/10/2018	12/11/2018
Public Lending Right Committee—Annual Report 2017-18	25/09/2018	25/09/2018	23/10/2018	12/11/2018
Screen Australia—Annual Report 2017-18	26/09/2018	26/09/2018	26/11/2018	12/11/2018 (29/10/2018)*
Special Broadcasting Service Corporation—Annual Report 2017-18	5/10/2018	5/10/2018	26/11/2018	12/10/2018 (29/10/2018)*
<b>Environment and Energy Portfolio</b>				
Australian Renewable Energy Agency—Annual Report 2017-18	5/10/2018	17/10/2018	26/11/2018	12/11/2018 (30/10/2018)*
Bureau of Meteorology—Annual Report 2017-18	4/10/2018	16/10/2018	24/10/2018	12/11/2018
Clean Energy Finance Corporation—Annual Report 2017-18	10/10/2018	16/10/2018	26/11/2018	12/11/2018 (31/10/2018)*
Clean Energy Regulator—Annual Report 2017-18	2/10/2018	4/10/2018	25/10/2018	12/11/2018
Climate Change Authority—Annual Report 2017-18	10/10/2018	16/10/2018	18/10/2018	12/11/2018
Department of the Environment and Energy—Annual Report 2017-18	15/10/2018	18/10/2018	26/11/2018	12/11/2018 (31/10/2018)*

<b>Reporting Body</b>	<b>Submitted to Minister</b>	<b>Received by Minister</b>	<b>Tabled in the House of Representatives</b>	<b>Tabled in the Senate</b>
Director of National Parks—Annual Report 2017-18	12/10/2018	18/10/2018	26/11/2018	12/11/2018 (31/10/2018)*
Great Barrier Reef Marine Park Authority—Report for 2017-18	19/09/2018	11/10/2018	24/10/2018	12/11/2018
Independent Scientific Committee on Wind Turbines—Report for 2017	2/05/2018	18/05/2018	24/05/2018	18/06/2018
National Environment Protection Council (NEPC)—Report for 2016-17	20/06/2018	21/06/2018	13/08/2018	13/08/2018 (24/07/2018)*
Office of the National Wind Farm Commissioner—Report for 2017	1/05/2018	18/05/2018	24/05/2018	18/06/2018
Sydney Harbour Federation Trust—Report for 2017-18	20/09/2018	3/10/2018	18/10/2018	12/11/2018

\* An asterisk denotes the date the report was presented in the Senate out-of-session.

## Appendix 2

### Dates relating to the presentation of documents referred to the committee between 1 May 2018 and 30 April 2019

Report	Submitted to Minister	Received by Minister	Tabled in the House of Representatives	Tabled in the Senate
Australian Broadcasting Corporation —Equity and diversity—Report for 2017-18	30/11/2018	30/11/2018	18/02/2019	2/04/2019 (15/02/2019)*
Australian Communications and Media Authority—Communications Report for 2017-18	1/02/2019	1/02/2019	18/02/2019	2/04/2019 (15/02/2019)*
Australian Competition and Consumer Commission—Communications market report 2017-18	18/02/2019	18/02/2019	2/04/2019	2/04/2019 (28/02/2019)*
Australian Competition and Consumer Commission—Telstra's structural separation undertaking—Report for 2016-17	1/03/2018	1/03/2018	9/05/2018	9/05/2018
Australian Competition and Consumer Commission—Telstra's structural separation undertaking—Report for 2017-18	21/12/2018	21/12/2019	18/02/2019	2/04/2019 (15/02/2019)*
Australian National Maritime Museum—Corporate plan 2018–22	4/06/2018	4/06/2018	13/08/2018	13/08/2018 (3/08/2018)*

<b>Report</b>	<b>Submitted to Minister</b>	<b>Received by Minister</b>	<b>Tabled in the House of Representatives</b>	<b>Tabled in the Senate</b>
<i>Clean Energy Finance Corporation Act 2012</i> —Statutory review of the Clean Energy Finance Corporation—Report, dated 10 October 2018	1/11/2018	28/11/2018	12/02/2019	12/02/2019 (14/12/2018)*
Clean Energy Regulator—Renewable Energy Target administrative report for 2017	30/04/2018	30/04/2018	18/06/2018	18/06/2018 (12/06/2018)*
Clean Energy Regulator—2018 Annual Statement to the Parliament on the progress towards the 2020 Large-scale Renewable Energy Target, dated March 2019	22/03/2019	22/03/2019	4/04/2019	2/07/2019 (04/04/2019)*
Climate Change Authority—Review of the Emissions Reduction Fund—Government response, dated March 2019	12/02/2019	26/02/2019	2/04/2019	2/04/2019 (8/03/2019)*
Climate Change Authority—Review of the National Wind Farm Commissioner—Report, dated May 2018	2/08/2018	20/08/2018	22/08/2018	22/08/2018
Climate Change Authority—Report—Review of the National Wind Farm Commissioner—Government response, dated October 2018	31/08/2018	6/10/2018	18/10/2018	12/11/2018



<b>Report</b>	<b>Submitted to Minister</b>	<b>Received by Minister</b>	<b>Tabled in the House of Representatives</b>	<b>Tabled in the Senate</b>
Department of Finance—Consolidated financial statements for the year ended 30 June 2018	12/11/2018	12/11/2018	12/02/2019	12/02/2019 (12/12/2018)*
<i>Enhancing Online Safety Act 2015</i> —Report of the statutory review of the Act and the review of schedules 5 and 7 to the <i>Broadcasting Services Act 1992</i> (Online Content Scheme), dated October 2018	30/11/2018	30/11/2018	18/02/2019	2/04/2019 (15/02/2019)*
<i>Environment Protection and Biodiversity Conservation Act 1999</i> —The National Heritage List and the Commonwealth Heritage List: 1 July 2013–30 June 2018	16/11/2018	18/12/2018	12/02/2019	12/02/2019 (4/02/2019)*
Final budget outcome 2017-18—Report by the Treasurer (Mr Frydenberg) and the Minister for Finance (Senator Cormann), dated September 2018	17/09/2018	17/09/2018	15/10/2018	15/10/2018
Mid-year economic and fiscal outlook 2018-19—Statement by the Treasurer (Mr Frydenberg) and the Minister for Finance (Senator Cormann)	17/12/2018	17/12/2018	12/02/2019	12/02/2019
Snowy Hydro Limited—Consolidated Financial Report for the Reporting Period 2 July 2017 to 30 June 2018	13/11/2018	6/12/2018	12/02/2019	12/02/2019 (14/12/2018)*

<b>Report</b>	<b>Submitted to Minister</b>	<b>Received by Minister</b>	<b>Tabled in the House of Representatives</b>	<b>Tabled in the Senate</b>
<i>Telecommunications Act 1997—Funding of telecommunications consumer representation grants—Report for 2017-18</i>	18/12/2018	19/12/2018	12/02/2019	12/02/2019 (22/01/2019)*
Wet Tropics Management Authority—Report for 2016-17	19/03/2018	14/04/2018	8/05/2018	8/05/2018
Wet Tropics Management Authority—Report for 2017-18	25/01/2019	31/01/2019	12/02/2019	12/02/2019 (4/02/2019)*
Wet Tropics Management Authority—State of Wet Tropics—Report for 2016-17	19/03/2018	14/04/2018	8/05/2018	8/05/2018
Wet Tropics Management Authority—State of Wet Tropics—Report for 2017-18	25/01/2019	31/01/2019	12/02/2019	12/02/2019 (4/02/2019)*

\* An asterisk denotes the date the document was presented in the Senate out-of-session.