

**Senate Standing Committee on Environment and Communications**  
**Legislation Committee**  
Answers to questions on notice  
**Environment portfolio**

**Question No:** 6  
**Hearing:** Budget Estimates  
**Outcome:** Corporate  
**Programme:** Policy Analysis and Implementation (PAAI)  
**Topic:** Register of Environmental Organisations  
**Hansard Page:** 10  
**Question Date:** 25 May 2015  
**Question Type:** Spoken

**Senator Canavan asked:**

**Senator CANAVAN:** That would be great. Referring to question 101 from the last estimates, you said that some organisations do provide audited financial statements but there does not appear to be any obligation on them to do so. You say that you reserve the right to request audited financial statements. Have you done that at any time? Have you expressly asked some organisations for those?

**Dr Kennedy:** I will take this one on notice, too. Certainly, until a couple of years ago, I understand—I think this is covered in our submission—audited financial statements were provided more routinely. Of course, we are back in the camp of the crossover. There is a set of reporting requirements under that 75 per cent of registered environmental organisations; the charities are also providing these statements. So there was an attempt a couple of years ago to try to streamline that or to reduce the duplication. As to your specific question whether we have issued a notice to someone and said, 'Please provide us with an audited financial statement,' I do not know that but I will follow it up for you.

**Answer:**

The Department sought audited financial statements from three organisations in 2014-15, and three organisations in 2013-14.

The specific reasons for seeking the audited statements varied but principally related to irregularities identified in reporting.

In order to reduce reporting burden and adopt a risk based approach to assurance a departmental decision was taken in 2013 to not request Audited Financial Statements on the statistical return form as there are various auditing requirements already in place for organisations. For example, 75 per cent of Registered Environmental Organisations are registered charities and have distinct reporting requirements to the Australian Charities and Not-for-Profits Commission.

Registered Environmental Organisations which are incorporated associations, trusts and public companies limited by guarantee but which are not registered charities may also be regulated through the Corporations Act and state and territory legislation.

The Ministerial Rule currently requires an Audited Financial Statement and this has not yet been amended. The Department can request an Audited Financial Statement if necessary as part of assurance processes.