

Chapter 2

Review of departments and selected agencies

2.1 The committee provides the following comments on the annual reports of the Director of National Parks, Climate Change Authority, and the Murray-Darling Basin Authority.

Director of National Parks

2.2 This is the first annual report presented by the new Director of National Parks, Ms Sally Barnes. Ms Barnes acknowledged the contribution of the former Director of National Parks, Mr Peter Cochrane, who retired in December 2013 after 14 years in the position.¹

2.3 The Director's review highlighted the achievements for 2013–14 which included:

- delivery of the first network wide management plan for the South-east Marine Reserves Network;
- management of the worldwide media coverage of the visit by Their Royal Highnesses The Duke and Duchess of Cambridge to Uluru-Kata Tjuta National Park; and
- the opening of the Red Centre Garden at the Australian National Botanic Gardens.²

2.4 The Director's review also highlights upcoming events, including the World Parks Congress in Sydney and the 30th anniversary of the lease arrangements in the Uluru-Kata Tjuta National Park in October 2015.

2.5 The Director of National Parks, Ms Sally Barnes, welcomed the appointment of the Threatened Species Commissioner and indicated that they will work closely together to implement strategies to increase the populations of threatened species across Commonwealth reserves and conservations zones.³

2.6 Clause 9 of the *Commonwealth Authorities (Annual Reporting) Orders 2011* requires that acronyms and technical terms be defined such as through a glossary.⁴ The committee notes that a glossary or list of acronyms was not included in the annual report and encourages the Director of National Parks to address this in future reports.

Performance report

2.7 The Director of National Parks is a statutory agency assisted by Parks Australia, a division of the Department of the Environment. The Director has

1 Director of National Parks, *Annual Report 2013–14*, p. 2.

2 Director of National Parks, *Annual Report 2013–14*, p. 2.

3 Director of National Parks, *Annual Report 2013–14*, p. 2.

4 Commonwealth Authorities (Annual Reporting) Orders 2011, p. 2.

responsibility for managing seven Commonwealth terrestrial reserves (comprising six national parks and the Australian National Botanic Gardens) as well as 59 Commonwealth marine reserves.⁵

2.8 Performance information is measured against key result areas, outcomes, and indicators identified in the Parks Australia Divisional Plan 2010–14. The Director of National Parks also contributes to the Department of the Environment's Outcome 1 Programme 1.1: Sustainable Management of Natural Resources and the Environment. The performance reporting section is comprehensive with both qualitative and quantitative information provided for each objective contained in the Parks Australia Divisional Plan 2010–14. This information is interspersed with Portfolio Budget Statement results.

2.9 The committee notes that the performance reporting section is clearly laid out and provides an insightful overview of 2013–14 results.

Financial reporting

2.10 The annual report noted an operating loss for the 2013–14 financial year:

The Director recorded a \$14.96 million operating loss for 2013–14 against an approved operating loss from the Department of Finance of \$12.44 million. The major difference was a \$3.25 million increase due to the transfer of pastoral leases for Calperum and Taylorville stations.⁶

2.11 The committee notes that the Auditor-General issued an unqualified audit report for the 2013–14 financial statements of the Director of National Parks.

Climate Change Authority

2.12 The Chair and Chief Executive Officer both commented on the uncertain year that the Authority encountered. Mr Bernie Fraser, Chair, stated that:

The past year has been rather difficult for the Authority, given the oft-repeated declarations of the Government's policy to abolish the Authority. At this time Parliament is still considering the Authority's fate but the organisation has already suffered serious damage; four of the nine members have resigned and the very talented secretariat assembled in its early days has declined by around two-thirds, to a dozen people in total.⁷

2.13 The Chief Executive Officer's review also commented on the reduction of staff numbers as a result of the uncertainty the Authority encountered during 2013–14. The report indicates that, at 30 June 2014, the Authority had 18 staff members compared to 32 recorded in the *2012–13 Annual Report*.⁸ Despite the reduction in

5 Director of National Parks, *Annual Report 2013–14*, p. v.

6 Director of National Parks, *Annual Report 2013–14*, p. 8.

7 Climate Change Authority, *Annual Report 2013–14*, p. 4.

8 Climate Change Authority, *Annual Report 2013–14*, p. 27; and Climate Change Authority, *Annual Report 2012–13*, p. 22.

staff numbers, the authority released four additional research papers under section 11 of the *Climate Change Authority Act 2011*. The four research papers were:

- *Coverage, Additionality and Baselines—Lessons from the Carbon Farming Initiative and Other Schemes*;
- *Light Vehicle Emission Standards for Australia*;
- *International Climate Action—Priorities for the Next Agreement*; and
- *Using International Units to Help Meet Australia's Emissions Reduction Targets*.

2.14 The Authority reported its key achievement as the completion of the *Reducing Australia's Greenhouse Gas Emissions—Targets and Progress Review*. The review recommended that Australia should target a 15 per cent reduction in emissions by 2020 rather than the stated policy of five per cent reduction of emissions below 2000 levels by 2020.

Performance report

2.15 The annual report stated that the Climate Change Authority's statutory responsibilities shaped its work program for 2013–14. The committee notes that the Authority also met its legislative requirements under the *Clean Energy Act 2011*.

2.16 The Authority's performance against its program objective to review climate change mitigation policies was concise and corresponds to the information presented in the Portfolio Budget Statements for 2013–14.

2.17 The committee reiterates comments in previous reports that the Authority could have strengthened the performance reporting sections of its annual report by including more quantitative data against key performance indicators.⁹ For instance, in response to the key performance indicator relating to transparency and accessibility of the public consultation processes, the annual report stated that the Authority conducted 'extensive public consultation' for the Targets and Progress Review. The annual report goes on to provide a description of the activities, however further information regarding where the consultations took place and who attended would have enhanced the report.¹⁰

2.18 By including information on, and assessment of, the consultation process and analysis carried out for the Targets and Progress Review, the Authority would have provided an assessment of its performance, rather than providing a description of its activities. The committee encourages the Climate Change Authority to address this issue in future reports.

9 See Environment and Communications Legislation Committee, *Annual reports (No. 2 of 2013)*, p. 8.

10 Climate Change Authority, *Annual Report 2013–14*, p. 19.

Financial reporting

2.19 The financial statements in the annual report are comprehensive and accessible. The clear layout of the statements not only greatly assists the reader but integrates them into the body of the report. This clarity also extends to the notes to the financial statements.

2.20 The annual report noted that 'the Authority met all of its financial obligations in 2013–14'.¹¹

Murray-Darling Basin Authority

2.21 The Chief Executive's Review outlined the items of significance for the Murray-Darling Basin Authority (MDBA) during 2013–14, which included:

- the establishment of the Basin Plan Implementation Committee and working groups;
- publishing the first Basin Environmental Water Outlook;
- publishing the first Constraints Management Strategy;
- commencing the review for the Goulburn-Murray Sedimentary Plain; and
- completion of a new \$30 million buttress wall to strength the southern spillway training wall at Hume Dam.¹²

Performance report

2.22 The MDBA reported its performance against the deliverables and key performance indicators specified in the 2013–14 Portfolio Budget Statements. Results are provided in a clear and easy to read table for each program, which is a useful reference as it summarises the organisation's performance.¹³

2.23 The performance report makes use of graphs and diagrams to aid in the presentation of various performance data. The inclusion of trend information for some performance categories, such as salinity levels, state water allocations and annual inflows to the River Murray system, was useful for comparative purposes.

Financial reporting

2.24 The committee notes the statement that the MDBA is a not-for-profit entity and that its main responsibility is to manage the Basin's water resources in the national interest.¹⁴

2.25 The Chief Finance Officer's report provided a comprehensive overview of the MDBA's financial results and key challenges. One of the key financial challenges

11 Climate Change Authority, *Annual Report 2013–14*, p. 26.

12 Murray-Darling Basin Authority, *Annual Report 2013–14*, pp 12–13.

13 Murray-Darling Basin Authority, *Annual Report 2013–14*, pp 23, 41, 63 and 75.

14 Murray-Darling Basin Authority, *Annual Report 2013–14*, p. 147.

identified by the Chief Finance Officer is a reduction in contributions from Basin states. The report noted that:

The reduction in state contributions for delivering the joint programs continued in 2013–14, falling from \$100.2 million in 2012–13 to \$84.3 million. We continued to work with the Basin states to develop solutions to establish a more secure long-term funding position. This included providing input and support to the Ministerial Council review, and review of the cost sharing arrangements which underpin the contributions from the Basin states for the joint programs. We are also participating in a second review on the efficiency of the River Murray operations, which is due to report in 2015.¹⁵

2.26 The committee notes that the Auditor-General issued an unqualified audit report for the 2013–14 financial statements.

Management and accountability

2.27 The MDBA has provided an informative and detailed management accountability section. The committee notes that the MDBA participated in the Australian Association of Graduate Employers and was voted 35th in the top graduate employers awards for 2014. It also ranked in the top five of Australian Public Service agencies.¹⁶

General comments

2.28 The committee finds that the annual reports referred to it have provided an appropriately comprehensive description of the activities of the reporting bodies and were of a high standard of presentation. They appear to have met the requirements of the various guidelines that apply to them.

2.29 The committee reiterates its comments regarding the need to present annual reports within the stipulated timeframes. Nevertheless, the committee reports its finding that the annual reports referred to it for examination were apparently satisfactory.

Senator Anne Ruston Chair

15 Murray-Darling Basin Authority, *Annual Report 2013–14*, p. 15.

16 Murray-Darling Basin Authority, *Annual Report 2013–14*, p. 107.

