



Mr David Brunoro
Committee Secretary
Joint Committee of Public Accounts and Audits (JCPAA)
PO Box 6021
CANBERRA ACT 2600

Dear Mr Brunoro

Submission to JCPAA inquiry into ANAO Report No. 3 (2015-2016), Regulation of the Great Barrier Reef Marine Park Permits and Approvals

Thank you for your letter dated 17 December 2015 inviting the Great Barrier Reef Marine Park Authority to provide a submission to the committee's inquiry into the Australian National Audit Office's report on *Regulation of Great Barrier Reef Marine Park Permits and Approvals* (Audit Report).

The Great Barrier Reef Marine Park Authority accepted all recommendations of the Audit report and has incorporated these recommendations into the agency's project to strengthen its permissions system. This project commenced prior to the audit in response to commitments in the *Great Barrier Reef Region Strategic Assessment Program Report*.

I am pleased to provide the Committee with an update on our progress in response to each recommendation since the Audit Report was tabled in Parliament in August 2015.

Recommendations

No. 1 To improve the processing of Marine Park permit applications, the ANAO recommends that the Great Barrier Reef Marine Park Authority:

- (a) *review and finalise standard operating procedures and administrative guidance for the permit application and assessment process; and*
- (b) *reinforce to staff the need to document whether permit application assessment requirements have been addressed.*

Progress to date:

(a) A project is well underway to develop guidelines for permit applications and assessments. The draft guidelines are planned for public consultation in mid-2016. Publicly available guidelines on how to apply for, assess and decide permit applications will significantly enhance consistency, transparency and accountability. The guidance material being developed includes the following matters highlighted in the audit report:

- determining risk level and assessment process
- deciding whether the application should be publicly advertised
- evaluating whether the applicant is a suitable person to hold such a permission;
- fulfilling notification requirements under the Native Title Act

- considering comments received from the public, internal experts and Native Title bodies.

Internal training in using the new guidelines is scheduled for early 2017, prior to the guidelines taking effect on 1 July 2017. This will ensure that all relevant officers have a consistent baseline of knowledge about the new guidelines. Training in more detailed operating procedures will be rolled out progressively during 2017.

- (b) To help ensure consistency in application processing, relevant procedures are routinely reinforced during section weekly meetings. In addition, a two-person quality check process for all applications has been implemented to ensure requirements are met.

As the agency moves towards a more fully electronic and more automated system of managing the permissions application assessment process, it will become easier to ensure all requirements have been addressed during the assessment process.

No. 2 To improve the rigour of permit application assessment and decision-making processes, the ANAO recommends that the Great Barrier Reef Marine Park Authority:

- (a) *prepare and revise permit application and risk assessment templates to better address assessment considerations and risks relevant to the various permit types; and*
- (b) *reinforce to staff the importance of preparing assessment reports for delegates that adequately address regulatory assessment requirements.*

Progress to date:

- (a) The agency is in the initial development stages of producing an online application system, which will link directly to the Reef Management System database to allow more efficient processing of applications.
- (b) The guidelines highlighted in No 1. will include the following matters highlighted in the audit report:
- requirements for inspection and maintenance of facilities
 - when and how to use environmental management plans in permit conditions
 - the role of bonds, and how to determine an appropriate bond amount
 - updating standard class assessments (including risk assessments) and standard permit conditions
 - updating the risk assessment report template to explain why each criterion was deemed relevant or irrelevant.
- (c) the agency is proposing making consideration of all assessment criteria mandatory, as recommended by the audit report.
- (d) The risk assessment framework is currently under review to bring it into alignment with the agency's broader risk management framework. This work is anticipated to be completed by June 2016 so that public consultation can occur.
- (e) As with 1(b) above, reinforcement of the need to follow procedures is regularly highlighted during weekly meetings.

No. 3 To improve the effectiveness of permit conditions used to manage risks to the Marine Park from permitted activities, the ANAO recommends that the Great Barrier Reef Marine Park Authority periodically review the adequacy of standard permit conditions.

This work is ongoing by the agency. Matters raised in the audit report being actioned include:

- (a) updating the assessment report template to draw delegates' attention to any special permit conditions or changes to standard permit conditions and to explain the reasons for these changes
- (b) updating the assessment report template and procedures to ensure delegates clearly document reasons for making decisions at the time the decision is made
- (c) considering additional permit conditions to better manage certain risks
- (d) progressively updating letter templates and procedures to ensure the decision notice highlights any permissions which were not granted, or any changes to conditions where a permit allows an existing use to continue.

No. 4 To improve the effectiveness of permit compliance monitoring, the ANAO recommends that the Great Barrier Reef Marine Park Authority:

- (a) *develop and enhance standard operating procedures for undertaking compliance monitoring activities (including in relation to post-approval reporting requirements); and*
- (b) *implement a coordinated, risk-based program of compliance monitoring activities.*

To improve the existing systems for monitoring and managing the regulatory risk associated with permissions issued under the *Great Barrier Reef Marine Park Act 1975*, the agency has developed a five year action plan. This action plan will facilitate the sustainable delivery of an enhanced permission compliance program, based on a 'responsive regulation' model (and with targeted enforcement of regulation), which demonstrates regulatory integrity.

Implementation of this action plan to date has led to:

- (a) Ongoing development of permissions compliance guidelines that:
 - articulate the requirements and responsibilities of staff engaged in permissions compliance activities for the agency
 - ensure all activities are undertaken in accordance with the highest professional standards
 - ensure investigations are conducted in accordance with Australian Government Investigations Standards by appropriately trained staff
 - provide an understanding of roles and responsibilities relating to the management of permissions
 - identify partner agencies and their roles and responsibilities.
- (b) The development of a permissions compliance plan is now part of the annual business planning cycle. This plan outlines the activities, services and resources to be provided by the agency for the management of permissions compliance over a financial year. The plan identifies and analyses the compliance risks associated with permissions, notifications and accreditations. It then prioritises these risks and identifies treatments based on the available resources and the application of appropriate compliance tools.

The plan is consistent with the agency's approach to managing compliance and the achievement of the agency's compliance goals.

No. 5 To improve processes for responding to instances of permit non-compliance, the ANAO recommends that the Great Barrier Reef Marine Park Authority:

- (a) update and finalise guidance documentation for managing non-compliance;*
- (b) reinforce to staff the need for all instances of non-compliance by permit holders to be reported and recorded in the Compliance Management Information System;*
- (c) document the reasons for key decisions taken during permit investigations, including whether to investigate incidents and enforcement decisions; and*
- (d) verify that enforcement action has been undertaken prior to the closure of investigations.*

As per No. 4, these improvements will be delivered over a five year period. Implementation of the action plan includes milestones tied to the delivery of improvements in the following areas:

- legislation and systems
- education and communication
- monitoring and reporting
- enforcement.

- (a) The development of permissions compliance guidelines is ongoing, with individual guidelines progressed on a risk basis. The agency is also finalising its whole-of-agency compliance management policy, due for release in March 2016.
- (b) A training program has been delivered to key sections in the agency and field staff within the Queensland Parks and Wildlife Service to improve understanding of permissions and the identification of non-compliance. Additionally, the electronic systems used by field staff to monitor and report compliance are being updated to include specific permissions compliance fields. The Compliance Management Information System is also undergoing similar updates to support the capture and management of permissions compliance incidents.
- (c) The Compliance Management and Investigation Procedures have been updated to include the relevant factors to be considered, possible actions, and requirements for documenting the decision making process. They have also been updated to include the procedure for recording the outcome of an investigation, differentiating between those matters that proceed to prosecution and those that do not.

Future Milestones and Timelines

The first tranche of guidelines, focussed on providing proponents with an understanding of the requirements for applications, is due for implementation on 1 July 2017 as part of a larger package of reforms to the permissions system. Key outputs for this milestone include:

- amendments to the *Great Barrier Reef Marine Park Regulations 1983*
- revised Environmental Impact Management policy
- guidelines for applications
- guidelines for assessments, including:
 - Plain English explanation of what to consider under each legislated assessment criterion, and what is likely to be acceptable or unacceptable

- Significant impact guidelines for values of the Marine Park (this work is being prioritised with approximately 20 of the 62 values to be delivered in the first tranche and the remainder to follow in the second tranche due in 2020)
- Guidelines for assessing eight high priority activities (with additional guidelines for other activities to be added as resources allow)
- Guidelines for assessing impacts at certain locations which have site-specific management arrangements in place.
- revised templates for assessment reports, application forms, letters and permits
- revised assessment reports for low risk, standardised activities
- implementation plan, including education for external stakeholders and training for internal staff prior to the changes taking effect.

Governance

Progress on the implementation of the recommendations is tracked:

- quarterly through standing agenda items to the Marine Park Authority board and the agency's Audit Committee
- monthly to the agency's Executive Management Group.

I look forward to appearing before the Committee to provide you with further information.

Yours sincerely

Russell Reichelt
Chairman