



## Submission (follow-up) to the Inquiry into Great Barrier Reef 2050 Partnership Program

**Addressed to:**

Committee Secretary

Senate Standing Committees on Environment and Communications

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### Contributors

This submission was prepared by Peter McKellar, Andrea Leong and Andrea Finno on behalf of the Science Party.

### Confidentiality

This submission does not need to be kept confidential and may be made public.

## Summary

Science Party research indicates that the recent LNP Government grant of \$444m to the Great Barrier Reef Foundation (GBRF) will produce few (if any) tangible benefits to overall reef health. This raises the question of why the sum was gifted to the GBRF.

The selection process followed to award the grant is flawed, mostly undocumented and leaves the general public with the impression that a portion of the nation's future and identity has been sacrificed for personal gain and political purposes.

**The Science Party recommends that if at all possible, the grant funding be returned to the Australian Government.**

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The Science Party made a submission to this inquiry in July 2018, detailing our position that the grant was an affront to democracy and due process. In this follow-up submission we address our other major concerns surrounding the grant:

- Selection of the GBRF as a funding recipient
- Accountability
- GBRF Stated Objectives
- Corporate Changes and Structure
- Cronyism
- Probity and Exploitation of Tax Loopholes
- Conflicts of Interest

## Selection of the GBRF as a funding recipient

Due diligence appears to have been absent. Our research has raised concerns over the integrity and vested interests of various Board members, affiliated corporations and associated organisations.

Two specific unanswered issues regarding this selection are:

- Who first proposed that the GBRF be considered?
- Why was the GBRF favoured over better qualified pre-existing Government agencies?

## Accountability

Accountability and transparency appears to be negligible and no specific deliverables are expected by Government. We, the Australian public, do not know what outcomes we are hoping to get for our money. If the government has been involved in these discussions, it has not clearly communicated these expectations to the public.

## GBRF Stated Objectives

While the work of the GBRF is not made very clear, the foundation does state aims of preserving “climate change arks” to preserve portions of the reef, and improving water quality.

- **Island Arks**

The Foundation’s stated strategies include concentrating on just five islands (about half a percent of a total of about 900 islands, and an even smaller percentage of the estimated 2,900 individual reefs<sup>1</sup>). The one island selected so far (Lady Elliot Island) coincidentally has high tourist and commercial value. The mere fact that Island Arks are considered an urgent response to the effects of climate change on the reef is essentially admitting defeat. This approach is certainly in line with the Turnbull government's new reduced commitment to combat climate change (by removing such targets from the National Energy Guarantee<sup>2</sup>).

- **Water Quality Improvement**

Both the GBRF<sup>3</sup> and the Great Barrier Marine Park Authority<sup>4</sup> specifically mention agricultural run-off as a threat to water quality on their respective web pages, while neither name mining run-off as a large source of pollution. Mining run-off must be carefully scrutinised in any water quality improvement plan<sup>5</sup>. The issue of water quality could be better handled using existing governmental and regulatory agencies if such were provided with suitable legislative support and enforcement capabilities.

## Corporate Changes and Structure

The GBRF being a corporate entity, future changes to Board composition could derail its current mission and/or see funds diverted to non-reef related entities.

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<sup>1</sup> [The Geomorphology of the Great Barrier Reef: Development, Diversity and Change. Hopley, Smithers & Parnell 2007, p. 1](#)

<sup>2</sup> <https://www.smh.com.au/politics/federal/malcolm-turnbull-removes-all-climate-change-targets-from-energy-policy-in-fresh-bid-to-save-leadership-20180820-p4zyht.html>

<sup>3</sup> <https://www.barrierreef.org/the-reef/the-threats/poor-water-quality>

<sup>4</sup> <http://www.gbrmpa.gov.au/managing-the-reef/threats-to-the-reef/declining-water-quality>

<sup>5</sup> <https://theconversation.com/worried-about-great-barrier-reef-water-pollution-look-at-mining-not-agriculture-11907>

The foundation is “limited by guarantee” raising the possibility that no effective means would exist to recover any misappropriated funds or penalise directors.

## Cronyism

There is always potential for cronyism when awarding project contracts. With significant funds under investment and intimate ties to members of the financial sector, the GBRF Partnership Program creates a substantial risk for misuse of funds.

The presence of Dr Paul Greenfield on the GBRF Board represents a significant exposure. In 2012 when he was President and Vice Chancellor of The University of Queensland he resigned over a nepotism scandal involving an undeserved placement awarded to his daughter<sup>6</sup>.

## Probity and Exploitation of Tax Loopholes

Probity is a requirement for procurement in the public sector. With no such requirement imposed on the GBRF and without a requirement that contracts be publicly tendered, the process of disseminating the \$444m grant becomes open to abuse.

There is even the possibility for other entities to “buy” favour for contracts on projects using a donation to the GBRF. These donations could then be claimed against tax.

## Conflicts of Interest

The crossover between the GBRF and the United States Studies Centre (USSC, at the University of Sydney) is a peculiar anomaly that should be explored by this inquiry.

Two current GBRF board members, Maureen Dougherty and Stephen Fitzgerald, sit on the board of directors and the council of advisors for the USSC, respectively. Former GBRF board member Stephen Roberts is also on the USSC council of advisors. According to *The Australian*, “Mr Roberts resigned from his [Great Barrier Reef] foundation role in June after being charged with alleged criminal cartel conduct”.<sup>7</sup> Lucy Turnbull, spouse of Prime Minister Malcolm Turnbull, is the current Patron and a former board member of the USSC.

These unusual coincidences should be independently, closely and openly examined to ensure that no impropriety has occurred. Nothing less will satisfy the voting public.

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<sup>6</sup> Crime and Corruption Commission. ‘An examination of suspected official misconduct at the University of Queensland.’ September 2013.

<http://www.ccc.qld.gov.au/research-and-publications/publications/misconduct/uq/an-examination-of-suspected-official-misconduct-at-the-university-of-queensland>

<sup>7</sup> Clennell A, Chambers G. ‘PM fends off Lucy’s links to \$444m reef grant recipients.’ *The Australian*. 10 August 2018. <https://www.theaustralian.com.au/news/nation/pm-fends-off-lucys-links-to-444m-reef-grant-recipients/news-story/68c8c63db1 added 7420118a2fc5e4c6ce5>

## Conclusion

The GBRF board is stacked with CEOs representing a cross section of the finance and banking sector, fossil fuel producers, mining and the tourist industry. They represent vested interests and the profit ethos of corporations rather than the interests of Australians and our faltering ecosystems.

When the federal Government made this grant to the GBRF it ignored all requirements of probity. Given the unusually high amount committed, the Australian public is entitled to know the circumstances and justifications that led to the decision being made.