



**Australian Government**

**The Treasury**

Ms Christine McDonald  
Committee Secretary  
Environment and Communications References Committee  
PO Box 6100  
Parliament House  
CANBERRA ACT 2600

Dear Ms McDonald,

Thank you for your letters to Treasury dated 26 September 2018 and 3 October 2018 regarding the Senate Committee Inquiry into the *Great Barrier Reef 2050 Partnership Program*. Treasury welcomes the opportunity to respond to questions on notice in relation to Treasury's involvement in the grant to the Great Barrier Reef Foundation.

The department's enclosed response clarifies the involvement of the department in the grant to the Great Barrier Reef Foundation.

Treasury will continue to work with the Committee as it completes its inquiry into the *Great Barrier Reef 2050 Partnership Program*.

Yours Sincerely,

Hamish McDonald  
First Assistant Secretary

9 October 2018

## Senate Environment and Communications References Committee inquiry into the Great Barrier Reef 2050 Partnership Program

### Treasury Response to Questions on Notice

#### Question 1:

**Senator KENEALLY:** Is Treasury aware that the department provided a \$5 million grant to the Great Barrier Reef Foundation just days before the then Prime Minister offered a \$444 million grant? Were you aware that the department was recommending to its minister a \$5 million grant?

**Mr McDonald:** We're not aware of what the department recommends to its minister.

**Senator KENEALLY:** The minister approved it on 4 April. Would Treasury have been involved in a grant of that size?

**Mr McDonald:** I'm not sure about our involvement. If it went through a cabinet process, we would have been.

**Senator KENEALLY:** Okay. But you're not aware that \$5 million grant went through a cabinet process?

**Ms Quinn:** We're happy to take that on notice, but often the administration of grants don't go through cabinet; they're part of the administration of a program. They typically don't go through cabinet.

#### **Answer:**

The \$5 million grant to the Great Barrier Reef Foundation is to be made through the Reef Trust and therefore did not need to go through the cabinet process.

**Question 2:**

**Senator KENEALLY:** This grant, though, did go through a cabinet process?

**Ms Quinn:** The budget measure went through the cabinet process, yes.

**Senator KENEALLY:** That went through a cabinet process. Would that include the expenditure review process?

**Ms Quinn:** That's correct, yes.

**Senator KENEALLY:** Would that expenditure review process have taken place at the end of March?

**Ms Quinn:** They take place leading up to the budget and at different times. I'm aware that the former Minister for the Environment and Energy has articulated that it went through the Expenditure Review Committee on two occasions, and one of those occasions was in March.

**Senator KENEALLY:** Do you have the date of the other occasion?

**Ms Quinn:** I don't have the exact date in front of me, no.

**Senator KENEALLY:** Can you put that on notice, please?

**Ms Quinn:** I'm happy to take it on notice.

**Answer:**

The 2018/19 Budget measure *Great Barrier Reef 2050 Partnership Program* was considered at the Expenditure Review Committee twice in March 2018.

**Question 3:**

**Senator KENEALLY:** Can I ask you about an FOI document, in FOI 2325? The document is labelled a 'protected draft working document'. It says, 'Great Barrier Reef options'. It seems to be summarising the Reef Trust and the Great Barrier Reef Foundation. It's only a three-page document. It's undated, so my first question is: is there a date for this document?

**Mr McDonald:** I don't have the date for the document. I can take that on notice.

**Answer:**

The document was created on 8 March 2018.

**Question 4:**

**Senator CHISHOLM:** And in terms of the due diligence process within Treasury, when did that start on the grant to the Great Barrier Reef Foundation?

**Ms Quinn:** I'd have to take that on notice. I'm not sure of the exact timing.

**Answer:**

Treasury began conducting due diligence on the proposal to provide a grant to the Great Barrier Reef Foundation in March 2018.

**Question 5:**

Document 4 tabled on 20 September 2018 in response to the Senate Order for the Production of Documents, contains meeting notes from a 30 April 2018 meeting of the AIMS Executive Team. The notes include the following statements: 'This is about the revenue windfall', 'The money can only be expended in Gov't if the money has left the Government', and 'This has been going on for a month'. When was The Treasury first made aware of this grant?

- a. Had The Treasurer approved the grant before the Expenditure Review Committee meeting on 28 March 2018?
- b. Had The Treasurer approved the grant prior to the 9 April 2018 meeting?

**Answer:**

The establishment of a tied partnership fund with the Great Barrier Reef Foundation was considered through the Expenditure Review Committee process in March 2018. The Grant Agreement between the Reef Trust and Great Barrier Reef Foundation (the Grant Agreement) was executed on 27 June 2018.

**Question 6:**

Document 3 of Treasury FOI 2325, is an email from The Treasury to 'SRG Environment'. The email states: 'We indicated that approval by Treasurer would be needed. DEE are seeking to cover off in a letter to the PM, Treasurer and Finance Minister'. That email is dated 17 April 2018. Why had the Treasurer not approved this grant prior to it being offered by the Prime Minister on 9 April 2018?'

**Answer:**

Document 3 of Treasury FOI 2325 is a summary of an Interdepartmental Committee meeting held on 17 April 2018. The quote above refers to pre-Budget announcements, which are approved by the Treasurer.

**Question 7:**

What role did the Treasurer's office play in relation to this?

- a. What was the nature of communication?
- b. How many emails and phone calls did you receive from the Treasurer's office in relation to this matter?
- c. Did you have any meetings with the office about this?
- d. If so, how many, and when?

**Answer:**

Treasury communicates with the Treasurer and the Treasurer's Office on all proposals that go to the Expenditure Review Committee of Cabinet, via a combination of email, phone calls, briefing documents and meetings.