

# Australian Government response to the Senate Inquiry into the Great Barrier Reef 2050 Partnership Program

## Introduction

The Great Barrier Reef is a World Heritage area. The Reef provides habitat for an extraordinary range of biodiversity, supports 64,000 jobs and provides \$6.4 billion a year to the Australian economy. The Reef is core to Australia's identity and improving its outlook is critical both for the Reef itself, and the communities and industries that depend on it.

The joint Australian and Queensland *Reef 2050 Long-Term Sustainability Plan* (the Reef 2050 Plan) provides the overarching framework for the management of Reef. The Plan includes clear actions to address threats and build its resilience in the face of a changing climate. The Reef 2050 Plan has been endorsed, and its implementation commended, by UNESCO's World Heritage Committee.

The recent release of the *Great Barrier Reef Outlook Report 2019* and *Reef Water Quality Report Card 2017 and 2018* highlight the threats facing the Reef. Climate change and land-based run-off, amongst other threats, continue to place pressure on the Reef and continued action is needed. Australia is taking strong action to address the global threat of climate change impacts through a comprehensive suite of policies to meet our emissions reduction commitments, encourage innovation and expand the clean energy sector. The Government's \$3.5 billion Climate Solutions Package builds on existing measures and maps out how we will achieve our commitments under the Paris Agreement.

## Reef Trust Partnership

The Australian Government is committed to changing the outlook of the Reef and is doing so through its \$1.2 billion in Reef investment. The Government's largest ever single investment in the Reef, the \$443.3 million Reef Trust Partnership, is a critical part of the Government's approach to building the resilience of the Reef. The Government's decision to establish the Reef Trust Partnership was the culmination of government considerations to accelerate investment and management responses for the Reef, following back-to-back coral bleaching events in 2016 and 2017 and Tropical Cyclone Debbie.

The Reef Trust Partnership has been designed to deliver a comprehensive and innovative approach to addressing Reef challenges while being complemented by an investment portfolio substantial enough to effect real change. The Reef Trust Partnership will:

- Improve water quality by further improving farming practices, including more efficient fertiliser use, and increasing the uptake of new technology and land management practices (\$201 million).
- Enable reef restoration and adaptation, by harnessing the best available science and knowledge to fund innovative projects that support Reef resilience (\$100 million).
- Expand efforts in the fight against the coral-eating crown-of-thorns starfish, including investigating new ways to detect primary outbreaks (\$57.8 million).

- Create opportunities for greater engagement of Traditional Owners in the Great Barrier Reef World Heritage Area (Up to \$42 million. This equates to 10% of the value of the grant agreement. It includes \$12 million under the original grant, plus funds from across all other components).
- Improve engagement by local communities in the protection of the Reef (\$10 million).
- Improve Reef health monitoring and reporting that tracks progress and informs better management (\$40 million).

### *Collaborative Investment Strategy*

A key part of the Reef Trust Partnership is its objective to leverage the Government's \$443.3 million investment to attract additional investment from private donors and partner organisations. The Great Barrier Reef Foundation has developed and published a *Collaborative Investment Strategy* to leverage \$300 million to \$400 million over five years including from domestic and international philanthropy, individual giving, corporate giving and partnerships. The intention is to develop domestic and international partnerships to leverage expertise, knowledge and capacity, as well as funding, to drive innovation that benefits the Reef.

### *Governance*

The Reef Trust Partnership is governed by a comprehensive grant agreement that includes clear requirements in relation to performance, governance, monitoring, reporting, consultation, financial management and workplace health and safety. The grant agreement includes appropriate safeguards to provide assurance over the funds delivered by the Foundation consistent with the *Commonwealth Grant Rules and Guidelines*. This includes safeguards against fraud, unlawful activities and other inappropriate conduct, and arrangements for termination and recovery of uncommitted funds if required. The grant agreement includes comprehensive reporting requirements including six monthly progress reports and annual reports with audited financial statements detailing the receipt and expenditure of Commonwealth funds and other contributions.

Strong governance arrangements are now in place, consistent with the grant agreement, including a Commonwealth Observer on the Foundation's Board of Directors to observe and report to the Department of the Environment and Energy on the administration and the performance of the Foundation in delivering the grant. A Partnership Management Committee has been established and includes representatives from the Department, Great Barrier Reef Marine Park Authority and Queensland Government. The Partnership Management Committee oversees and implements appropriate corporate governance arrangements, advises the Board on the Investment Strategy and Annual Work Plans and provides strategic oversight of Partnership delivery consistent with the grant agreement.

### *Progress to date*

The Reef Trust Partnership is now in its second year of implementation. The Foundation has delivered all Partnership requirements to a high standard and successfully scaled up its operations over the first 12 months. It has delivered a comprehensive suite of planning and policy documents,

including an *Annual Work Plan for 2019-20* (the Annual Work Plan). On-ground project funding is rolling-out.

The development of the Annual Work Plan involved a comprehensive consultation process with Reef stakeholders including the Great Barrier Reef Marine Park Authority, the Queensland Government, researchers, industry, Traditional Owners, local councils and Reef-dependent communities. The Foundation has also sought and considered advice from the Reef 2050 Plan Independent Expert Panel and the Reef 2050 Advisory Committee.

The release of the Annual Work Plan signalled an important shift from initial planning to implementation. Over the next year, the Foundation will commit \$58 million in a comprehensive program of work that includes the roll-out of a targeted sediment and nutrient reduction program across seven priority Reef catchments. The Foundation will also invest in Reef restoration and adaptation, while continuing to support delivery of the crown-of-thorns starfish control program. The Annual Work Plan includes a focus on community involvement and local action, with the intent to develop regional community action plans to enhance the impact of community Reef protection activities. All work is being undertaken in a collaborative manner with key partners in the Australian Institute of Marine Science, CSIRO and the Great Barrier Reef Marine Park Authority.

The Annual Work Plan outlines how the Foundation will deliver on its commitment for 10 per cent of Partnership funding to be allocated to projects engaging Traditional Owners, including the establishment of a \$10 million Traditional Owner Futures Fund in 2019-20. The Plan outlines a strategic innovation agenda and the Foundation's approach to leveraging new ideas to address threats to the Reef. This includes new control approaches for crown-of-thorns starfish control and establishing a Technology Transformation Fund to test new Reef monitoring methods.

The Foundation has also committed \$25 million in early investment projects, including more than 50 on-ground projects to protect the Reef. These projects have included:

- \$19 million for 11 projects to support water quality improvements, including gully remediation and on-ground action with farmers to reduce run-off of sediments, nutrients and pesticides.
- \$1.8 million to Traditional Owner groups that have rights and interests in the Great Barrier Reef region for 18 projects to support land and sea country action planning and junior ranger programs.
- \$1.4 million for 25 projects to empower communities to be part of improving Reef health, including through citizen science and through projects coordinated through Local Marine Advisory Committees.

The Foundation is reaching out to Reef stakeholders to inform them about the Reef Trust Partnership. Public events have been held in Cairns, Townsville, Mackay, Bundaberg and Rockhampton in September and October 2019. The events provided the opportunity for regional Reef communities to learn first-hand about the priorities within the Annual Work Plan and how they might apply for grant funding. Key to this discussion was a focus on transparency of grant funds and that future grant fund allocation will involve open and competitive processes. To further enhance their Reef community outreach, the Foundation has engaged regionally based staff and is establishing offices in Cairns and Townsville.

### Review of the Reef 2050 Plan and Reef Investment

The Reef 2050 Plan identifies that a full review will occur every five years to ensure it remains current, consistent with scientific advice, and relevant in addressing pressures on the Reef, with the first review due in 2020. The outcome of the 2020 review will be a revised Reef 2050 Plan that reflects the current state and future management needs of the Reef, informed by the best available science and knowledge. The revised plan will ensure government investments continue to focus on addressing the highest priority threats. The 2020 review will be informed by the *Outlook Report 2019* and will consider advice from the Reef 2050 Independent Expert Panel and Reef 2050 Advisory Committees. The outcomes of the Reef 2050 Plan review will inform future implementation of the Reef Trust Partnership.

### Conclusion

The early successes of the Reef Trust Partnership have demonstrated the ability of the Foundation to deliver outcomes for the Reef. The Australian Government will continue to work in partnership with the Foundation in our shared mission to improve the Reef's resilience. As indicated in the Coalition Senator's dissenting report, the Australian Government supports the Foundation's essential work that will protect and preserve the Reef for future generations.

**Australian Government response to recommendations**

Recommendation	Response
<p><b>Recommendation 1</b> The committee recommends that all unspent Foundation Partnership funds be returned to the Commonwealth immediately; and that these funds be earmarked for expenditure on projects to protect and preserve the Reef, to be expended by 30 June 2024.</p>	<p><b>Not agreed</b> The Australian Government will continue to support the Great Barrier Reef Foundation-Reef Trust Partnership. The government is satisfied that the Great Barrier Reef Foundation is successfully and effectively delivering the \$443.3 million Partnership.</p> <p>The Foundation has released its Annual Work Plan for 2019-20 which describes priority projects to protect and preserve the Reef for 2019-20, and outlines a five-year plan for expenditure of the grant funds in full. Preparation of the work plan involved extensive consultation with Reef stakeholders.</p>
<p><b>Recommendation 2</b> The committee recommends the Commonwealth Government undertake a review, to be completed by 1 July 2019, of the structure of Commonwealth funding to protect and preserve the Great Barrier Reef. The committee further recommends that the expenditure of unspent Foundation Partnership funds be guided by the outcome of this review.</p>	<p><b>Noted</b> The Australian and Queensland governments have commenced the 2020 review of the Reef 2050 Long-Term Sustainability Plan (Reef 2050 Plan) that will include consideration of future investment priorities. The review will inform funding priorities to protect and preserve the Great Barrier Reef for both the Australian and Queensland governments.</p> <p>The Reef Trust Partnership will continue to be guided by the Reef 2050 Plan.</p>
<p><b>Recommendation 3</b> The committee recommends that the Commonwealth and Queensland Governments publish an updated Reef 2050 Plan Investment Framework that provides current figures on established funding by source and priority area.</p>	<p><b>Noted</b> The Australian and Queensland governments' 2020 review of the Reef 2050 Plan will include consideration and analysis of future investment priorities.</p> <p>Current figures for water quality funding by the Australian and Queensland governments under the Reef 2050 Water Quality Improvement Plan are published here: <a href="https://www.reefplan.qld.gov.au/data/assets/pdf_file/0019/46117/reef-2050wqip-investment.pdf">https://www.reefplan.qld.gov.au/data/assets/pdf_file/0019/46117/reef-2050wqip-investment.pdf</a></p>

<p><b>Recommendation 4</b></p> <p>Should a Government decide to maintain the Foundation Agreement, the committee recommends that all necessary steps be undertaken to ensure that the Foundation's investment of public funds precludes investment in sectors or funds that directly or indirectly contribute to climate change, particularly companies that generate energy from or undertake mining of fossil fuels.</p>	<p><b>Noted</b></p> <p>The grant agreement between the Australian Government and the Great Barrier Reef Foundation already details how the Foundation can invest Partnership funds. As per the grant agreement, the investment of unspent grant funds must be consistent with sound commercial practice. A set of principles defining sound commercial practice is described in the agreement, including that 'investment of the grant will be sensitive and appropriate to the purposes of the Activity and the Objectives of this Agreement and the Reef 2050 Plan'.</p>
<p><b>Recommendation 5</b></p> <p>Should a Government decide to maintain the Foundation Agreement, the committee recommends that the Senate order: That—</p> <p>1) There be laid on the table by the Minister representing the Minister for the Environment and Energy, by no later than 31 October each year:</p> <p>a) an annual performance statement for the previous financial year that provides information about the Great Barrier Reef Foundation's performance in achieving the purposes of the Great Barrier Reef 2050 Partnership Program; and</p> <p>b) independent and audited financial statements for the previous financial year for all receipts and payments relating to the Great Barrier Reef 2050 Partnership Program funds, including any co-financed contributions.</p> <p>2) If the Senate is not sitting when a statement is ready for presentation, the statement is to be presented to the President under standing order 166.</p>	<p><b>Noted</b></p> <p>The grant agreement between the Department of the Environment and Energy and the Great Barrier Reef Foundation provides for a range of reporting obligations, including:</p> <ul style="list-style-type: none"> <li>- six-monthly progress reports (1 February and 1 August)</li> <li>- an annual (financial year) report including audited financial statements certified by an approved independent auditor, and a statement of the Foundation's financial position prepared by a qualified accountant (within 90 business days of the end of the financial year)</li> <li>- an annual report to the Great Barrier Reef Ministerial Forum.</li> </ul> <p>The Foundation has developed a comprehensive Monitoring and Evaluation Plan that will inform the reporting of Partnership outcomes.</p> <p>In addition:</p> <ul style="list-style-type: none"> <li>- the Foundation publishes its own annual report on its website.</li> <li>- the Foundation has public reporting obligations under the Australian Charities and Not-for-Profits Commission</li> </ul>

<p>3) This order has effect until the end of the last financial year in which the Agreement is operative, following the cessation of the Partnership.</p>	
<p><b>Recommendation 6</b> Should a Government decide to maintain the Foundation Agreement, the committee recommends that the Auditor-General undertake a second audit of the Partnership in late 2019–20 once the design aspects of the Partnership have been finalised.</p>	<p><b>Noted</b> The ANAO has listed the Implementation of the Great Barrier Reef Foundation Partnership as a potential audit in its 2019-20 work program. This audit would examine the effectiveness of the design and early delivery of the Australian Government’s partnership with the Great Barrier Reef Foundation.</p>
<p><b>Recommendation 7</b> The committee recommends that the Commonwealth Government take steps to address and effectively tackle climate change as an underlying cause of economic, social and environmental damage to the Reef and the Australian environment more broadly.</p>	<p><b>Noted</b> The Australian Government has a comprehensive set of economy-wide policies to reduce emissions, drive investment in clean energy, increase uptake of renewable energy and improve energy productivity.</p> <p>In February 2019 the Government reaffirmed its commitment to delivering on Australia’s emission reduction target by announcing a \$3.5 billion Climate Solutions Package. The Package will help the Government deliver on Australia’s 2030 Paris climate commitments while growing the economy and keeping energy prices down.</p>

**Australian Government's response to the Coalition Senators' dissenting report**

The Australian Government supports the Coalition Senators' dissenting report.