

Dear Senator Whish-Wilson

Thank you for your correspondence on behalf of the Senate Environment and Communications References Committee (the Committee) regarding the Committee's inquiry into the Great Barrier Reef 2050 Partnership Program.

It may assist you if I briefly set out the history of the matter as I recall it.

On 6 March 2018 the Expenditure Review Committee of Cabinet considered a Portfolio Budget Submission from the then Minister for Energy & Environment proposing two options for additional funding to support the health of the Reef. One was partially offset and over 6 years, the other was smaller and fully offset over two years.

The ERC resolved that an alternative proposal be brought forward to create a tied reef fund, with a partner outside the general government sector, to be funded in 2017/18 for activities to be agreed with the Commonwealth, with appropriate governance arrangements.

This approach was taken because the Treasurer and Finance Minister were open to funding a substantial package for the Reef *so long as it was expensed in 2017/18*. This was because Government revenues were promisingly strong in 2017/18 and they believed the Budget in that year could accommodate the substantial investment proposed for the Reef. However, that may not be so in subsequent years.

This was the reason why a partner *outside the Commonwealth Government* sector was sought; it also brought with it the possibility of leveraging the Commonwealth's contribution with private sector contributions.

The arrangement allowed the Government to book the grant expenditure in one year, 2017/18, notwithstanding that the investment of the funds in the various reef projects by the GBRF would take place over a period of six years.

Following that decision a new submission prepared by the Department of Environment and Energy recommending a grant of \$443 million to the Great Barrier Reef Foundation was circulated and presented by the (then) Minister to the ERC on 28 March 2018 in the usual way.

As to why the GBRF was recommended by the Department of the Environment and Energy (as opposed to another organisation) you should inquire of the Department. But it was plainly a reputable organisation with a track record in Reef research and support with whom the Department had previously worked and in which it had confidence.

In terms of the meeting on 9 April, the Minister asked me to join him in a meeting with Mr Schubert to establish the willingness of the Foundation to participate in the Partnership. I attach some notes provided to me prior to the meeting. I assume they were prepared by departmental officials with input from my office, but they set out what I was asked to discuss with Mr Schubert.

Yours sincerely

Malcolm Turnbull

Attachment:

Talking points provided to me prior to the meeting with Mr Schubert

Potential Reef Trust - Great Barrier Reef Foundation Partnership

We propose the Australian Government and the Great Barrier Reef Foundation enter into a partnership to implement Reef protection activities aligned with the Reef 2050 Plan.

The partnership would include an initial grant of \$443.3 million from the Reef Trust, paid in full this financial year, for delivery of outcomes over the following six years. Further payments from the Reef Trust may also be made over the life of the partnership.

We are unequivocally committed to long-term investment in the health of Great Barrier Reef and want to establish a strong and enduring partnership for collaborative action.

The partnership would make the Foundation the most significant financial player on the Reef, helping catalyse greater philanthropic investment.

Key elements of the partnership:

Significantly enhanced water quality improvement actions (\$200 million). Examples follow;

Sediment – changed grazing practices which protect rivers and streams; riparian tree plantings which stabilise and retain soils; gully remediation where capital works and plantings repair degraded land.

Nitrogen – working with farmers to minimise fertiliser application to improve productivity and profitability of Queensland cane farmers. Voluntary participation by the cane industry allows for assessment of their farming practices against industry standards.

Solutions are then tailored for each farm and growers are given one-on-one support to make changes that will improve profitability, productivity and environmental outcomes.

Pesticides and chemicals – similar approach to nitrogen. Whole-of-farm assessment with plans established for more efficient pesticide use.

Expanding efforts to control Crown-of-thorns Starfish (\$58 million);

Currently delivered by Australian Marine Park Tourism Operators, a scale-up may involve other / multiple delivery partners.

Implementation of science for Reef restoration and adaptation (\$100 million);

Active intervention to address climate impacts: Implementing in coming years the science regarding thermally-tolerant corals; coral translocation; spawning of resilient corals; artificial reefs.

Improving Reef health monitoring and reporting (\$40 million);

Ensuring consistency of reef monitoring across catchments, as well as the potential to operationalise eReefs. This could lead to Reef managers having access to Bureau of Meteorology-style predictive systems and modelling (oil spill response, ship strike, cyclone response).

Engaging the community and Traditional Owners (\$22 million).

Traditional Owner engagement important for maximising ranger work on sea country.

Wider community engagement with schools and community important to engender positive behaviour change (recycling, domestic water quality) and engagement (e.g. clean-up days).

Funding would also be provided to the Foundation to meet administrative costs of delivering the Partnership (\$23 million plus interest earned from the funding)

We envisage the Foundation seeking significant new corporate investment (ultimately matching if possible) to be managed through the partnership. I am willing to participate with you (Schubert) in a joint approach to potential corporate contributors (ASX200?) at an appropriate time

Why the Foundation?

We view the Foundation as a trusted funding partner with a robust corporate and financial governance framework, and efficient project management systems.

The Australian Government has an established relationship with the Foundation and your priorities are already aligned with the Reef 2050 Plan.

The Foundation has a proven track record of generating private and philanthropic investment, and of working with government and non-government organisations to deliver Reef research and protection activities. It has public trust and confidence.

It is sound advocate of science and evidence based action to protect the Reef, free from politics, with sound working relationships with Commonwealth and State Governments, research institutions, non-government bodies and Reef managers.

As part of partnership we seek:

Agreement that the Department of Environment and Energy be provided a position on the Foundation's board and representation on the Partnership Program Management Committee.

Agreement to enter into a funding agreement with the Department of Environment and Energy which will include appropriate governance arrangements.

Close collaboration with relevant Government agencies including the Department of Environment and Energy, Great Barrier Reef Marine Park Authority and Queensland Office of the Great Barrier Reef.

Close collaboration with existing delivery partners and key advisory bodies such as the Reef Advisory Committee and Independent Expert Panel including processes for seeking their advice and input into investment proposals.

Development of an Investment Strategy and Annual Activity Plans, including priority activities and outcomes, with consideration by the Great Barrier Reef Ministerial Forum. A plan for generating private and philanthropic investment including setting of targets for co-funding.

A commitment to delivering the funding to ensure; value for money is achieved, the highest ethical standards are applied, and decisions are based on the best available science.

A commitment to acknowledging the Australian Governments commitment and to using the Reef Trust branding in all partnership materials.