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**RE: An [inquiry](#) into the 2018-19 Budget measure, the *Great Barrier Reef 2050 Partnership Program*.**

***About 350.org Australia***

350.org is an international NGO with 60,000 supporters in Australia focused on addressing climate change here and around the world. 350.org Australia aims to speed up the reduction of greenhouse gas emissions that threaten our planet with climate change. We work in Australia and around the world to build a global movement working together to demand action to end our dependence on fossil fuels and rapidly move to clean energy for a safe climate future. The number 350 means climate safety: to preserve a livable planet, scientists tell us we must reduce the amount of CO<sub>2</sub> in the atmosphere from its current level of 410 parts per million to below 350 ppm.

350.org Australia believes the greatest risk to the Great Barrier Reef is climate change and we are shocked by the lack of focus on this core issue in the Partnership Program and that \$444m of taxpayers'

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money is being handed to an organisation with no history of capacity to deliver a program of this scale and with heavy fossil fuel industry membership on its Board.

### *The current state of the Great Barrier Reef*

The good health and continued life of The Great Barrier Reef plays a vital role in the move towards a safe climate future. The Great Barrier Reef acts not only as a habitat for the largest amount of marine species but also as a substantial carbon sink. The Great Barrier Reef is facing serious threats to its health due to the impacts of climate change. The Australian Marine Conservation Society detailed some key indicators in their World Heritage 2018 Update<sup>1</sup> :

- Coral cover has continued to decline due to severe disturbance over the past four years from coral bleaching, cyclones and crown of thorns starfish outbreaks;
- In 2016 and 2017, 50% of shallow water corals died due to consecutive marine heat-waves;
- Outbreaks of coral diseases, related to high ocean temperatures, are now occurring and are likely to result in further coral death;
- In March 2017, a severe category 4 tropical cyclone struck the World Heritage property; Approximately 28 % of the total reef area was within the ‘catastrophic damage zone’<sup>2</sup>;
- Crown-of-thorns Starfish continue to occur in several parts of the property, which is linked to poor water quality.

Action is required to prevent further coral death and to regenerate areas that can still be saved. This requires the delivery of stable policy settings that address the ongoing impacts of climate change, which is currently lacking in Australian Government and the current Reef 2050 Plan.

### *The Terms of Reference for this Inquiry*

In responding to this Inquiry we have assessed the Terms of Reference:

- a. the delivery of the Reef 2050 Plan, including through the Great Barrier Reef 2050 Partnership Program and through other avenues;

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<sup>1</sup> Australian Institute of Marine Science, Long Term Reef Monitoring Program, Annual Summary 2017/18

<sup>2</sup> Great Barrier Reef Marine Park Authority , <http://www.gbrmpa.gov.au/about-the-reef/reef-health>

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- b. the proficiency of the Great Barrier Reef Foundation and its capacity to deliver components of the Reef 2050 Plan;
  - c. the proficiency of other organisations and their capacity to deliver components of the Reef 2050 Plan;
  - d. the process of granting funding to the Great Barrier Reef Foundation for the Great Barrier Reef 2050 Partnership Program, the terms of agreement for funding, and the ongoing administration of funding;
  - e. the prior activities and operations of the Great Barrier Reef Foundation, including research, public-policy advocacy and fund-raising;
  - f. the establishment, governance and membership of the Great Barrier Reef Foundation, including the management of conflicts of interest and commercial interests; and
  - g. any other related matters.

350.org Australia has great concerns about the process by which this enormous pool of taxpayer funds was granted, the lack of transparency and the obvious lack of suitability of the Great Barrier Reef Foundation to deliver such a substantial program. The justification of this decision has been terrible. The entire decision and the decision-making process needs to be further investigated.

### *The Great Barrier Reef Foundation*

As part of the solution, the Australian government has granted **\$444 million in public funds** to restore the reef. The majority of this funding has gone to a single corporate organization. *The Great Barrier Reef (GBR) Foundation* (the "Foundation") is an independent entity registered with, and regulated by, the Australian Charities and Not for Profit Commission. The Foundation is regulated by a board of directors comprising of representatives of Australian business, science and philanthropy. The board oversees the role of the Managing Director and has the job of ensuring to protect and restore the Great Barrier Reef. Last year the Foundation had a revenue of \$8 million, with just 10 full-time equivalent staff<sup>3</sup>.

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<sup>3</sup><https://www.smh.com.au/politics/federal/corporate-figures-to-help-decide-great-barrier-reef-priorities-under-444m-grant-20180521-p4zgkb.html>

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The chairman's panel involves executives from major companies including heavy polluters such as AGL, Peabody Energy, Shell, Rio Tinto and Qantas<sup>4</sup>. Moreover, to become a member of the Foundation it costs between \$10,000 and \$50,000 and it's by invitation only. There are no details provided about how the Foundation decides who can become a member.

### *Why are we asking for a further Inquiry?*

We believe the means through which *the GBR Foundation* was chosen as the organisation to be given the nearly \$500 million dollar taxpayer grant, **raises questions around transparency and the public interest**. We believe an Inquiry is required to understand why such a large sum of public funds was given to a corporate organisation without a competitive tender process. This decision effectively leaves authorities such as the Great Barrier Reef Marine Park Authority and other scientific organizations in the dark and raises questions about the delivery of the 2050 Great Barrier Reef Partnership Program.

### *The process of granting funding to the GBR Foundation for the GBR 2050 Partnership program*

For what reasons the government has bypassed the specifically designated bodies that are already doing work to restore the Great Barrier Reef, begs the question if there are other vested interests that lie behind the government's decision. There has been **no tender process** before the grant was awarded and the Foundation itself was only made aware of the grant a few weeks before it was announced<sup>5</sup>. Moreover, the government has reportedly **failed to explain how it has decided to award the grant**<sup>6,7</sup>. The proclaimed diligence taken to ensure the credibility and capability of the Foundation manage such a large sum of money, is that the Commonwealth of Australia, including under previous Labor governments, has seen it fit to enter into funding agreements with the Foundation<sup>8</sup>. Through government hearings on the matter, it is made evident that **no credible analysis** has been made in

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<sup>4</sup> <https://www.michaelwest.com.au/great-barrier-reef-funding-links-to-climate-sceptics-and-political-donors/>

<sup>5</sup> ACT, Senate Debates, Environment and Communications Legislation Committee, 18th May 2018.

<sup>6</sup> ACT, Senate Debates, Environment and Communications Legislation Committee, 18th May 2018

<sup>7</sup> <https://www.smh.com.au/environment/conservation/like-winning-lotto-reef-foundation-minnow-braces-for-444m-windf-all-20180511-p4zeud.html>

<sup>8</sup> ACT, Senate Debates, Environment and Communications Legislation Committee, 18th May 2018.

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regard to the Foundation's proficiencies and capabilities. Nor is there a clear definition of what the terms and conditions are for the public-private partnership.

#### *The proficiency of the GBR Foundation and its capacity to deliver components of the Reef 2050 plan*

Because of the government's **lack of prior analysis** as to the organisations' capabilities, the GBR Foundation is **presently undergoing** a process of setting in stone how and where the funds will be allocated, how the organisation will be governed, and what the terms and conditions are. This, in turn, suggests that the Foundation is **poorly prepared to manage** such a large sum of money. In meetings held by the organisation, there has reportedly been no discussion of what the priorities are, where the funds will be directed, or what type of projects that they want to see implemented. According to Chairman and Chief Executive Dr Reicheldt, the Foundation does not "operate at that level"<sup>9</sup>. Nor has it been clarified where the Foundation **will be safeguarding the funds** as they are currently doing some work to determine where would be an appropriate secure place to hold the funds.

The **organisational challenges** associated with this kind of rapid increase in revenue are vast. It will take time and expose the Foundation to substantial **execution risk**. It is important to remember that the **primary delivery mechanism** for the *Reef 2050 Plan*, the Foundation, currently has only six full-time and five part-time employees. Allowing a single organisation, that has primarily functioned as a grantmaking institution to third party beneficiaries, to essentially hold the GBR recovery program in its palm, is a huge risk both for the reef and for the \$444,000,000 of public funds.

#### *The proficiency of other organisations and their capacity to deliver components of the Reef 2050 plan*

The main argument made for having chosen to allocate the funds to the *GBR Foundation*, is that because of the nature of the organisation (it is structured as a Non Governmental Organisation) it will be able to raise much more additional revenue, in contrast to a government agency. The Foundation is argued to have the capacity to draw in additional private funding. It is the only substantial reason given for why this organisation has been chosen and others put to the side. But there are many other mechanisms to achieve this outcome. For example, the government agency capable of handling this scale of funding could commit to match (or more) donations to NGOs whose activities align with the Plan.

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<sup>9</sup> ACT, Senate Debates, Environment and Communications Legislation Committee, 18th May 2018. p. 43.

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The main concern about the \$444m and the GBR recovery plan is not whether we can generate more revenue, but how it will be possible in the most effective way to contribute to a safe future for the GBR.

In government hearings on this matter, it's evident that the government lacks concern about the fact there will be **no governmental representative on the board of the organisation**<sup>10</sup>. Given that the reef is a natural asset that *belongs to the Australian people*, clearly it should also be *represented by them*. By failing to appoint a government representative to the board, the delivery obligations under the Reef 2050 Plan have essentially been outsourced to a **private entity** with dubious links to the fossil fuels industry.

### **Concluding Remarks**

350.org Australia believes the Government needs to take immediate action to prevent further coral death and to regenerate areas that can still be saved. This requires the delivery of stable policy settings that address the ongoing impacts of climate change, which is currently lacking in Australian Government and the current Reef 2050 Plan.

The Government's decision to grant the *GBR Foundation* \$444 million in public funds is a decision that needs to be revised. The GBR belongs to the people of Australia and should be represented by them. The funds are public and now in the hands of a corporate entity with 11 staff and a board consisting of representatives of the fossil fuel industry. There are agencies and organisations in place that are fit to handle the funds and produce solutions.

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<sup>10</sup> ACT, Senate Debates, Environment and Communications Legislation Committee, 18th May 2018.