

Chapter 1

Introduction

1.1 On 19 June 2018, the Senate referred the following matter to the Environment and Communications References Committee (the committee) for inquiry and report by 13 July 2018:

The 2018–19 Budget measure *Great Barrier Reef 2050 Partnership Program*, with particular reference to:

- (a) the delivery of the Reef 2050 Plan, including through the Great Barrier Reef 2050 Partnership Program and through other avenues;
- (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 fundraising;
- (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.¹

1.2 On 25 June 2018, the Senate granted an extension of time to report until 15 August 2018.² On 13 August 2018, the Senate granted a further extension to 16 October 2018.³ On 15 October 2018, the Senate extended the reporting date until 4 December 2018.⁴ A final extension to 13 February 2019 was granted by the Senate on 4 December 2018.⁵

1 *Journals of the Senate*, No. 99, 19 June 2018, p. 3186.

2 *Journals of the Senate*, No. 102, 25 June 2018, p. 3271.

3 *Journals of the Senate*, No. 106, 13 August 2018, p. 3423.

4 *Journals of the Senate*, No. 102, 15 October 2018, p. 3895.

5 *Journals of the Senate*, No. 135, 4 December 2018, p. 4394.

Conduct of the inquiry

1.3 In accordance with its usual practice, the committee advertised the inquiry on its website and wrote to relevant individuals and organisations inviting submissions by 2 July 2018.

1.4 The committee received 24 submissions, which are listed at Appendix 1.

1.5 The committee held three public hearings in:

- Brisbane on 30 July 2018;
- Canberra on 18 September 2018; and
- Canberra on 21 September 2018.

1.6 The list of witnesses who appeared at public hearings is at Appendix 2. The public submissions, transcripts of evidence and other information published by the committee for this inquiry are available on the committee's website.⁶

Additional information considered by the committee

1.7 In this inquiry, the committee has also drawn upon evidence from relevant departments and agencies taken during the Budget Estimates 2018–19 hearings of the Environment and Communications Legislation Committee, the Economics Legislation Committee, and the Finance and Public Administration Legislation Committee.

1.8 In addition, the committee has considered the documents made public as part of various Freedom of Information (FOI) requests and documents tabled in the Senate following orders for the production of documents.

Freedom of Information requests

1.9 Over the course of this inquiry, Commonwealth Government departments have released documents under FOI provisions that are relevant to this inquiry, including documents released by the Treasury (reference FOI 2325, released 17 August 2018); and the Department of the Environment and Energy (the department) (reference FOI 180514, released 27 August 2018).

1.10 The committee understands that an FOI request was lodged with the Great Barrier Park Reef Marine Park Authority (GBRMPA), which has not resulted in the publication of any documents.⁷ Additionally, according to its FOI disclosure log 2018,

6 The committee's site can be found at www.aph.gov.au/senate_ec.

7 Mr Tony Burke MP, 'FOI reveals more confusion on the government's Great Barrier Reef cash splash', *Media Release*, 21 June 2018, www.tonyburke.com.au/media-releases/2018/6/21/media-release-foi-reveals-more-confusion-on-the-governments-great-barrier-reef-cash-splash (accessed 8 November 2018).

the Department of Industry, Innovation and Science has not published any FOI documents relating to the Partnership Agreement.⁸

Orders for the production of documents

1.11 The Senate agreed to several orders for the production of documents in relation to the matter being inquired into by this committee, which will be outlined in turn.

1.12 On 20 June 2018, the Senate agreed to the following order (notice of motion no. 857):

That there be laid on the table by the Minister for Jobs and Innovation, by no later than 9.30 am on 27 June 2018, documents relating to the Great Barrier Reef Foundation generated since 1 July 2017 and held by:

- (a) the Commonwealth Scientific and Industrial Research Organisation; and
- (b) the Australian Institute of Marine Science.⁹

1.13 Documents pursuant to this order were tabled on 13 April 2018.¹⁰

1.14 On 15 August 2018, the Senate agreed a subsequent order (notice of motion no. 954), as follows:

That there be laid on the table by the Minister for Jobs and Innovation, by no later than 9.30 am on 21 August 2018:

- (a) documents held by the Department of Industry, Innovation and Science relating to the announcement, establishment and implementation of the partnership with the Great Barrier Reef Foundation; and
- (b) documents held by the Australian Institute of Marine Science (AIMS) relating to the announcement, establishment and implementation of the partnership with the Great Barrier Reef Foundation.¹¹

1.15 However, pursuant to the order of 21 August 2018, the relevant Minister, Senator the Hon Michaelia Cash, tabled a letter that stated:

Given the short period of time since the order was made and the wide scope of the order, encompassing a Commonwealth department and agency, further time will be required to respond. A response will be provided to the

8 See Department of Industry, Innovation and Science, 'Freedom of information disclosure log 2018', www.industry.gov.au/freedom-of-information-disclosure-log-2018 (accessed 10 November 2018).

9 *Journals of the Senate*, No. 100, 20 June 2018, p. 3216.

10 *Journals of the Senate*, No. 106, 13 August 2018, p. 3391.

11 *Journals of the Senate*, No. 108, 15 August 2018, p. 3475.

Senate as soon as possible. I have copied this letter to Senator Cormann and Senator Carr.¹²

1.16 The following day, 22 August 2018, the Senate took note of the explanation made by the Minister, Senator Cash, regarding the failure to comply with the order of 15 August 2018.¹³

1.17 A further order for the production of documents was passed by the Senate on 21 August 2018 (notice of motion no. 978), requiring:

That there be laid on the table by the Minister representing the Minister for the Environment and Energy (Senator Birmingham), by no later than 10 am on 10 September 2018, documents held by the Department of the Environment and Energy that demonstrate that, before the grant of \$444 million to the Great Barrier Reef Foundation (the Foundation) was approved:

- (a) due diligence was carried out on the Foundation; and
- (b) evidence was provided of the capacity of the Foundation to manage a grant of this size and to reduce its administration costs by approximately 50%.¹⁴

1.18 Documents responding to the order of 21 August 2018 were tabled in the Senate on 10 September 2018, with some documents withheld, claiming a public interest immunity for legal advice provided to government. Regarding this claim, on 17 September 2018, the Senate passed an order for the production of documents (notice of motion no. 1050):

(1) That the Senate notes that:

- (a) on 21 August 2018, the Senate agreed to an order for the production of documents directed at the Minister representing the Minister for the Environment and Energy for documents relating to the grant of \$444 million to the Great Barrier Reef Foundation (the Foundation), including documents demonstrating due diligence was carried out on the Foundation;
- (b) on 10 September 2018, the duty minister tabled the index to a due diligence report prepared by the Australian Government Solicitor but did not table the body of the report, making a public interest immunity claim of legal professional privilege;
- (c) to the extent that the report fulfils a due diligence task, it cannot be characterised as legal advice and, therefore, cannot attract the

12 This letter was read into Hansard by Senator the Hon Michaela Cash on 22 August 2018. See *Journals of the Senate*, No. 112, 22 August 2018, p. 3584. See also *Senate Hansard*, 22 August 2018, p. 5550.

13 *Journals of the Senate*, No. 112, 22 August 2018, p. 3584.

14 *Journals of the Senate*, No. 111, 21 August 2018, p. 3566.

privilege—it is noted that the document comprised largely information that is available online free of charge or for a nominal fee, such as company details, insolvency notice search results, media searches, ASIC personal name search results, and AUSTLII case searches;

- (d) the Senate does not accept legal professional privilege as a basis for a claim of public interest immunity unless it is established that there is some particular harm to be apprehended by the disclosure of the information;
 - (e) in *Egan v Chadwick*, Chief Justice Spigelman held that 'in performing its accountability function, the Legislative Council may require access to legal advice on the basis of which the Executive acted, or purported to act...access to such advice will be relevant in order to make an informed assessment of the justification for the Executive decision. In my opinion, access to legal advice is reasonably necessary for the exercise by the Legislative Council of its functions'; and
 - (f) as a country that upholds the rule of law, the Government must not rely on conventions, no matter how longstanding, that are contrary to established principles in law.
- (2) That the Senate does not accept the public interest immunity claim made by the then Minister representing the Minister for the Environment and Energy (Senator Birmingham) in relation to the due diligence report prepared by the Australian Government Solicitor, and requires the Minister representing the Minister for the Environment to table the due diligence report, in accordance with the order for the production of documents agreed to by the Senate on 21 August 2018, with any appropriate redactions where there is some particular harm to be apprehended, accompanied by a properly made out claim for public interest immunity identifying the harm.¹⁵

1.19 On 17 September 2018, Senator the Hon Anne Ruston, Assistant Minister for International Development and the Pacific, made a statement by leave on the public interest immunity claim made regarding order of 17 September 2018, arguing that:

The due diligence report constitutes legal advice. The government did not claim public interest immunity on the basis of legal professional privilege, but on that basis there is public interest in the government's legal advice remaining confidential. This is based on the longstanding practice of successive Australian governments. There is a significant public interest in government having access to confidential legal advice for the purposes of policy development and decision-making. The government sees no reason to depart from this principle in this case.¹⁶

¹⁵ *Journals of the Senate*, No. 118, 17 September 2018, p. 3769.

¹⁶ *Senate Hansard*, 17 September 2018, p. 58.

1.20 Some documents were tabled responding to the order of 20 September 2018, by Senator Cash, the Minister for Jobs and Innovation.¹⁷

Information provided by Mr Malcolm Turnbull, former Prime Minister

1.21 The committee sought information about the award of the grant from the Hon Malcolm Turnbull, who was Prime Minister at the time that the decision was made to fund the Partnership with the Great Barrier Reef Foundation (Foundation Partnership).

1.22 The committee put questions on notice to Mr Turnbull on 24 September 2018, which he provided a response to on 1 October 2018.¹⁸ The committee wrote to Mr Turnbull again on 6 December 2018, offering him the opportunity to give further evidence to the inquiry in person, which he declined by email on 24 December 2018.¹⁹

1.23 The committee agreed to conclude its deliberations with the evidence available.

Structure of the report

1.24 This report comprises six chapters, as follows:

- The remaining discussion in this chapter provides a background of the issues considered by this inquiry, including the Great Barrier Reef 2050 Partnership Program Budget measure, and the principal stakeholders in the Reef management sector.
- Chapter 2 looks at the Great Barrier Reef Foundation (the Foundation), its history, governance and fundraising activities, and its funding of research projects and program delivery. It also sets out evidence about the development of the conditions of the Grant Agreement establishing the Foundation Partnership between the Commonwealth and the Foundation.
- Chapter 3 looks at the available information about the development of the Foundation Partnership measure by the Commonwealth, as well as how the decision to award an unprecedented \$444 million was reached.
- Chapter 4 sets out the matters raised in evidence received by the committee regarding the probity of the decision to award unprecedented grant funding to the Foundation, the risks of the Foundation's administration of the grant, and shortcomings of the policy in addressing the real causes of damage to the Great Barrier Reef (the Reef);

17 *Journals of the Senate*, No. 121, 20 September 2018, p. 3863.

18 The Hon Malcolm Turnbull, *Answers to written questions taken on notice* (received 1 October 2018).

19 Correspondence to the Hon Malcolm Turnbull, 6 December 2018.

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- Chapter 5 provides an overview of the Auditor-General's performance audit of the award of the grant to the Foundation; and
 - Chapter 6 sets out the committee's views and recommendations.

Acknowledgements

1.25 The committee thanks all of the individuals, organisations, and government departments and agencies that contributed to the inquiry.

Overview of the Great Barrier Reef 2050 Partnership Program

1.26 On 29 April 2018, the then Prime Minister, the Hon Malcolm Turnbull MP, announced record Commonwealth funding of more than \$500 million 'to protect the reef, secure its viability and [safeguard] the 64 000 jobs that rely on the Reef'.²⁰ Mr Turnbull stated that these measures would 'accelerate the delivery' of activities under the Reef 2050 Long-Term Sustainability Plan (Reef 2050 Plan). The Reef 2050 Plan is a collaborative framework between the Commonwealth and Queensland Governments for protecting and managing the Reef, which has been in operation since March 2015.²¹

1.27 The announcement of 29 April 2018 outlined that this funding would include a grant of \$443.8 million to establish a Foundation Partnership, under which the Foundation would disburse funding to other organisations for Reef-related programs.²² In addition, increased funding of \$56 million was provided to GBRMPA 'to expand environmental management and compliance operations on the Reef and to support this significant additional investment in the Reef'.²³

1.28 Regarding the Foundation Partnership, Mr Turnbull stated that the \$444 million grant would be apportioned to programs in the following areas:

- \$201 million to address water quality by further improving farming practices, reducing fertiliser use and increasing the uptake of new technology and land management practices.
- \$100 million to harness the best science in the implementation reef restoration and adaptation and to fund innovative projects that support Reef resilience.

20 The Hon Malcolm Turnbull MP, Prime Minister; The Hon Julie Bishop MP, Minister for Finance; The Hon Josh Frydenberg MP, Minister for the Environment and Energy; The Hon Melissa Price MP, Assistant Minister for the Environment, 'Record investment in the Great Barrier Reef to drive jobs', *Joint Media Release*, 29 April 2018.

21 See chapter 2 for more detail on the Reef 2050 Plan.

22 Note: rounded up to \$444 million in this report except in this chapter, below, when discussing the announcement of the Partnership and specific figures in the 2018–19 Commonwealth Budget.

23 The Hon Malcolm Turnbull MP et al, 'Record investment in the Great Barrier Reef to drive jobs', *Joint Media Release*, 29 April 2018.

- \$58 million to expand efforts in the fight against the coral-eating crown-of-thorns starfish.
- \$45 million to support the other work of the Foundation, in particular increasing community engagement in reef protection through activities such as supporting Indigenous traditional knowledge for sea country management, coastal clean-up days and awareness raising activities.
- \$40 million to improve Reef health monitoring and reporting that tracks progress and informs better management.²⁴

1.29 The proposed \$444 million grant was described as a 'ground-breaking...agreement to tackle crown-of-thorns starfish, reduce pollution into the Reef and mitigate the impacts of climate change'. The media release also stated that the Foundation was a 'highly respected philanthropic organisation [with] a strong fundraising track record', and would continue to 'seek corporate contributions to further enhance this work'.²⁵

1.30 More detail on this funding was provided in the 2018–19 Budget, handed down by the then Treasurer, the Hon Scott Morrison MP, on 8 May 2018. The Great Barrier Reef 2050 Partnership Program Budget measure outlined \$535.8 million total funding for the following measures:

- funding of \$443.8 million delivered in 2017–18 for a partnership agreement with the Foundation; and
- funding of \$56 million over five years to the department and GBRMPA to expand environmental management and compliance operations related to the Foundation Partnership, including: ongoing funding of \$13.4 million across the six years of the program for the department (commencing with \$10.1 million in 2018–19); funding of \$42.7 for GBRMPA from 2019–20 to 2023–24.²⁶

1.31 There was no grant-related funding for the Australian Institute of Marine Science (AIMS).

1.32 The totality of this funding is set out in table 1.1.²⁷

24 The Hon Malcolm Turnbull MP et al, 'Record investment in the Great Barrier Reef to drive jobs', *Joint Media Release*, 29 April 2018.

25 The Hon Malcolm Turnbull MP et al, 'Record investment in the Great Barrier Reef to drive jobs', *Joint Media Release*, 29 April 2018.

26 Commonwealth Budget 2018–19, *Budget Paper No. 2: Budget Measures 2018–19*, 8 May 2018, p. 98.

27 Department of the Environment and Energy, *Portfolio Supplementary Additional Estimates Statements 2017–18: Environment and Energy Portfolio*, May 2018, p. 2; *Portfolio Budget Statements 2018–19: Budget Related Paper No. 1.6—Environment and Energy Portfolio*, May 2018, pp. 28 and 239.

Table 1.1: Funding for the Partnership Program, 2017–18 to 2023–24 (\$ million)

	2017–18	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24
Department of the Environment and Energy	443.8	10.1	0.7	0.5	0.5	0.6	1.0
GBRMPA	-	-	3.9	7.8	10.6	10.2	10.2
Australian Institute of Marine Science	-	-	-	-	-	-	-
Total	443.8	10.1	4.7	8.3	11.1	10.8	11.2

Note: Figures may not add due to rounding.

Sources: Department of the Environment and Energy, *Portfolio Supplementary Additional Estimates Statements 2017–18: Environment and Energy Portfolio*, May 2018, p. 2; *Portfolio Budget Statements 2018–19: Budget Related Paper No. 1.6—Environment and Energy Portfolio*, May 2018, pp. 28 and 239.

Stakeholders in the Reef management sector

1.33 This section provides a general overview of the Commonwealth and Queensland Governments' approach to the management of the Reef, as well as some background information on organisations working in the Reef-related sector. This provides important context for the following chapter, which discusses the Foundation's history and capacity in program delivery, and the Government's decision to grant funding to the Foundation.

The Commonwealth–Queensland Reef 2050 Long-Term Sustainability Plan

1.34 In 2015, the Commonwealth and Queensland Governments released the Reef 2050 Plan (the Plan), a Commonwealth-state collaborative framework for the management of the Reef. The department outlined the nature of the Plan in its submission:

The Plan includes clear actions to address threats and to build the resilience of the Great Barrier Reef in the face of a changing climate. The actions are structured around seven overarching themes—ecosystem health, biodiversity, heritage, water quality, community benefits, economic benefits and governance. These themes reflect the priority areas for action identified by governments and partners to protect the World Heritage values of the Great Barrier Reef.²⁸

1.35 The department went on to note that the Reef 2050 Plan has been endorsed, and its implementation commended, by UNESCO's World Heritage Committee. In addition, the Reef 2050 Plan:

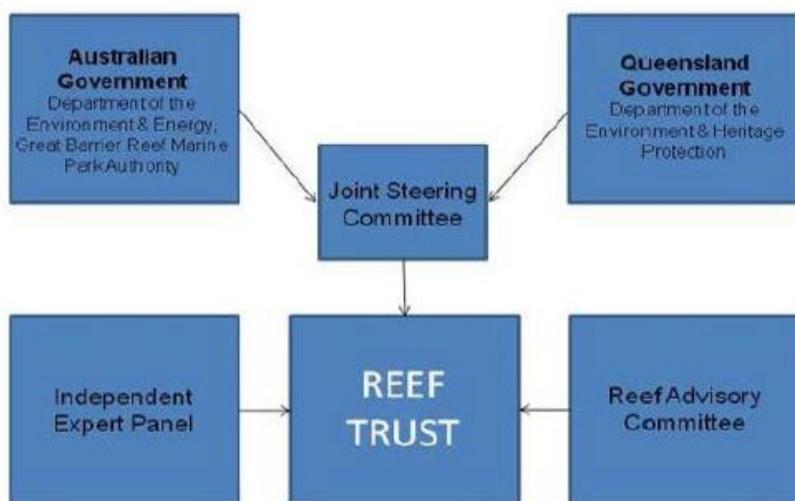
28 Department of the Environment and Energy, *Submission 7*, p. 3.

...builds on the strong, long-standing commitment by the Australian and Queensland governments to protect and manage the Reef. It incorporates the knowledge and expertise of scientists, communities, Traditional Owners, industry and non-government organisations. Successful implementation of the Reef 2050 Plan relies on ongoing productive partnerships between all parties.²⁹

1.36 The Plan is overseen by a Ministerial Forum of Commonwealth and Queensland Government ministers. It is supported by two advisory bodies: the Reef 2050 Independent Expert Panel, which provides scientific and expert advice; and the Reef 2050 Advisory Committee, to give industry and community perspective of the Plan's implementation.³⁰

1.37 An outline of the governance framework for the Reef 2050 Plan is shown at Figure 1.2.

Figure 1.2: Reef Trust governance



Source: Treasury FOI 2325, Document 2, p. 2.

1.38 Following mass coral bleaching events in 2016 and 2017, the Ministerial Forum brought the mid-term review of the Plan forward to mid-2018. This review updated the 2050 Plan with some immediate actions to be undertaken before 2020, which also reflect the findings of GBRMPA's *Blueprint for Resilience* released in December 2017.³¹ The review did not significantly alter the overarching targets, actions or outcomes of the Plan, although it did emphasise the increasing need to focus on climate change as a cause of stress and damage to the Reef:

29 Department of the Environment and Energy, *Submission 7*, p. 3.

30 Department of the Environment and Energy, *Submission 7*, p. 3.

31 Department of the Environment and Energy, *Submission 7*, p. 4.

There is a stronger focus on climate change as a key pressure. The Plan cites linkages to international efforts and domestic plans and strategies to mitigate and adapt to climate change, such as the Paris Agreement and the Queensland Climate Transition Strategy.³²

1.39 The Plan's implementation framework has seven overarching themes: ecosystem health; biodiversity; heritage; water quality; community benefits; economic benefits; and governance. These 'reflect the priority areas for action identified by governments and partners'.³³

1.40 The department submitted that the successful implementation of the Plan relies on collaboration and partnerships between a range of stakeholders, including Commonwealth and state government agencies, local governments, Traditional Owners, National Resource Management (NRM) organisations, researchers, on-ground service providers, and the wider community.³⁴

The Reef Trust

1.41 Partnerships under the Plan are funded through the Reef Trust. Described as one of the Commonwealth Government's key initiatives to implement the Plan, the Reef Trust was established in 2014–15 with funding of \$39.9 million over four years. The first phase commenced in 2014 with a small number of projects focussing on improving water quality and biodiversity. A further \$100 million was provided in the 2015–16 Budget over four years. In the 2016–17 Budget, an additional \$70 million was provided over the three years from 2019–20.³⁵

1.42 The department noted that the \$210 million allocated up to 2016–17 'complements and builds on the existing Australian Government investment of over \$160 million for a range of activities focussed on addressing the threat of declining water quality, ecosystem rehabilitation and species protection'.³⁶

1.43 With the additional funding allocated in April 2018 (including the \$444 million partnership with the Great Barrier Reef Foundation), total

32 Department of the Environment and Energy, 'About the updated Reef 2050 Long-Term Sustainability Plan', www.environment.gov.au/marine/gbr/publications/reef-2050-long-term-sustainability-plan-2018 (accessed 8 November 2018).

33 Commonwealth of Australia, *Reef 2050 Long-Term Sustainability Plan*, 2015, p. 33.

34 Department of the Environment and Energy, *Submission 7*, p. 6.

35 Department of the Environment and Energy, 'The Reef Trust', www.environment.gov.au/marine/gbr/publications/reef-trust-factsheet (accessed 8 October 2018).

36 Department of the Environment and Energy, 'Reef Trust—Frequently asked questions', www.environment.gov.au/system/files/pages/e40fbc03.../reef-trust-faqs.pdf (accessed 8 November 2018).

Commonwealth Government investment is approximately \$700 million through the Reef Trust.³⁷

1.44 The Reef Trust was also designed to draw further investment from other sources, including private investment and philanthropic donations:

The Reef Trust has been designed to consolidate investment from a variety of sources. Funding for the Reef Trust will be derived from the pooling of offset funds that target specific impacts on the Great Barrier Reef from development activities. Over time the Reef Trust will also evolve to increase its investment capacity to incorporate alternative resourcing mechanisms, such as private investment and philanthropic donations.³⁸

1.45 The department noted that 'in recent years, there has been an increasing interest from the government and the private and community sector in the role of private-public partnerships as a successful way of delivering outcomes'.³⁹

1.46 The department provided a list of partnerships delivered through the Reef Trust. Commonwealth funding for these partnerships ranges from \$4.5 million to \$7 million supplemented by funding from other sources, to deliver on-ground projects:

- \$7 million from the Australian Government matched with \$7 million raised by Greening Australia to repair over 700 hectares of priority wetlands and coastal ecosystems;
- \$4.5 million from the Australian Government to support an estimated \$12.8 million investment from sugar milling company, MSF Sugar, to assist sugar-cane farmers to improve on-farm nutrient management and thereby improve the quality of water entering the Reef;
- \$5 million from the Australian Government, matched with up to \$5 million raised by the Great Barrier Reef Foundation, to restore and conserve priority island ecosystems; and
- \$5 million from the Australian Government, supplemented by \$2.1 million from the Queensland Government, to trial enhanced efficiency fertilisers as a means to better control the release of nutrients to match crop requirements, potentially increasing cane yields and farm productivity and profitability.⁴⁰

1.47 The department also provided an overview of the \$444 million Foundation Partnership, which will be delivered through the Reef Trust. This will be discussed in depth later in this report.

37 Department of the Environment and Energy, *Submission 7*, p. 7.

38 Department of Environment and Energy, 'Reef Trust—Frequently asked questions', www.environment.gov.au/system/files/pages/e40fbc03.../reef-trust-faqs.pdf (accessed 8 November 2018).

39 Department of the Environment and Energy, *Submission 7*, p. 7.

40 Department of the Environment and Energy, *Submission 7*, pp. 7–8.

Organisations working in the Reef-related sector

1.48 The Reef-related sector is diverse, and has a number of organisations working in research, management and program delivery. It includes Commonwealth and state government agencies as well as non-government organisations, some of which are outlined here.

1.49 GBRMPA is the Commonwealth agency that is the lead manager of the Reef, reporting to the Minister for the Environment. Its website outlines its purpose, governance and activities:

For more than 40 years, we've been managing this great natural icon to ensure it's protected for the future.

Our work is guided by:

- The *Great Barrier Reef Marine Park Act 1975*
- Our Corporate Plan
- Australian Government policies
- Portfolio Budget Statement
- *The Great Barrier Reef Outlook Report*
- and government priorities.

We use the best available scientific information to guide us, and engage with experts and the community. This includes four Reef Advisory Committees and 12 Local Marine Advisory Committees.

Out on the water, field management and enforcement of zoning rules is carried out with Queensland and Australian Government agencies on our behalf.

We provide a number of other services to protect and manage the Reef ranging from issuing permits, providing advice on marine management, and operating our education centre Reef HQ Great Barrier Reef Aquarium.⁴¹

1.50 AIMS is the Commonwealth's tropical marine research agency. Its website states that:

We play a pivotal role in providing large-scale, long-term and world-class research that helps governments, industry and the wider community to make informed decisions about the management of Australia's marine estate.⁴²

41 GBRMPA, 'About us', www.gbrmpa.gov.au/about-us/about-us (accessed 8 November 2018).

42 AIMS, 'About AIMS', www.aims.gov.au/docs/about/about.html (accessed 8 November 2018).

1.51 AIMS also monitors conditions and trends in the marine environment, data collection and modelling to support policy decision making, and also develops a broad range of relevant technologies.⁴³

1.52 The Commonwealth Scientific and Industrial Research Organisation (CSIRO) is an independent Commonwealth Government agency responsible for undertaking scientific research. It has a 'long history of working with partners in the Great Barrier Reef World Heritage Area and its adjacent catchments, spanning the full continuum from inland to outer reef'. This includes its current work with AIMS on delivering components of the Reef 2050 Plan through developing a scoping study informing the development of the Reef Restoration and Adaptation Program (RRAP).⁴⁴

1.53 AIMS, CSIRO and GBRMPA are all partners in the RRAP in collaboration with other non-government partners, including the University of Queensland, Queensland University of Technology, and the Foundation.⁴⁵ This program aims to 'create a suite of innovative and targeted measures that can be used for large-scale reef restoration and adaptation, to help the Reef help itself'.⁴⁶

1.54 In 2018, the Commonwealth provided \$6 million to establish a scoping and 'concept feasibility phase' for the RRAP, which will inform the spending of a further \$100 million allocated by the Government for reef resilience and adaptation science from 2019.⁴⁷

1.55 The Queensland Government has a number of portfolio agencies working on Reef protection and management.⁴⁸

1.56 A number of non-government charity organisations centre on the Reef. In addition to the Foundation, the Australian Marine Conservation Society (AMCS), the Reef and Rainforest Centre (RRAC), Reef Check Australia, the World Wildlife Fund (WWF), and the Australian Conservation Foundation (ACF) all have interests in the Reef.

43 AIMS, 'About AIMS', www.aims.gov.au/docs/about/about.html (accessed 8 November 2018).

44 CSIRO, 'The Great Barrier Reef—looking towards 2050 and beyond', www.csiro.au/en>Showcase/Great-Barrier-Reef (accessed 8 November 2018).

45 Note, a number of other partner organisations are participating in a series of sub-projects of the RRAP, which are all listed at RRAP, 'About us', www.gbrrestoration.org/about-us (accessed 8 November 2018).

46 RRAP, 'The Reef Restoration and Adaptation Program', www.gbrrestoration.org/the-program (accessed 8 November 2018).

47 RRAP, 'The Reef Restoration and Adaptation Program', www.gbrrestoration.org/the-program (accessed 8 November 2018).

48 GBRMPA, 'Queensland government agencies', www.gbrmpa.gov.au/our-partners/queensland-government-agencies (accessed 8 November 2018).

2017–18 Government measures for Reef-related activities

1.57 On 22 January 2018, the Government announced a \$60 million investment to drive research and development for Reef-related activities:

This \$60 million funding boost over 18 months will set in motion a major research and development (R&D) program for coral reef restoration. \$6 million will go to the Australian Institute of Marine Science and the CSIRO to scope and design this program over the next 18 months, including looking at how best to leverage private investment.

We will also ramp-up actions to help the Reef right now:

- \$10.4 million for an all-out assault on coral-eating crown-of-thorns starfish. This will allow the Great Barrier Reef Marine Park Authority to increase the number of vessels targeting starfish from three to eight
- \$36.6 million to further reduce pollution from water entering the Reef. This builds on our success with farmers reducing soil erosion, improving on-farm nutrient management and restoring coastal and riparian vegetation in the Reef catchments
- \$4.9 million to put more field officers on the water, improving compliance, and providing early warning of further bleaching and delivering more reef and island management interventions.⁴⁹

1.58 This suite of measures included funding for the RRAP, as outlined above.

Australian National Audit Office audit of the Partnership

1.59 The Australian National Audit Office (ANAO) identified the design of the Partnership as a potential audit under its 2018–19 work program. The ANAO stated that an 'audit of the design of the partnership model would include examining governance arrangements to support the effective implementation of programs covered by the partnership'.⁵⁰

1.60 On 13 August 2018, Mr Finn Pratt AO PSM, Secretary of the department wrote to the Auditor-General, Mr Grant Hehir, to request that an audit be undertaken of the Government's Foundation Partnership. Mr Pratt commented that 'given the intense public and media interest over the last few weeks, I consider such an audit has

49 The Hon Malcolm Turnbull MP, Prime Minister, Senator the Hon Michaelia Cash, Minister for Jobs and Innovation, and the Hon Josh Frydenberg MP, Minister for the Environment and Energy, 'Investing in the Future of Our Great Barrier Reef', *Joint Media Release*, 22 January 2018, p. 1.

50 See Australian National Audit Office, 'Design of the Great Barrier Reef Foundation partnership: Potential audit 2018–19', www.anao.gov.au/work/performance-audit/design-great-barrier-reef-foundation-partnership (accessed 15 November 2018).

become a priority and ask that you consider approving it going ahead and starting as soon as practicable'.⁵¹

1.61 Mr Pratt noted that this ANAO audit:

...would examine the Department of the Environment and Energy's design of the Australian Government's \$444 million partnership with the Great Barrier Reef Foundation to deliver water quality improvements, crown of thorn starfish control, science for reef restoration, increased community engagement and improved monitoring...[as well as that] an audit of the design of the partnership model would include examining governance arrangements to support the effective implementation of programs covered by the partnership.⁵²

1.62 On 24 August 2018, the Auditor-General advised the committee that he had 'decided to conduct a performance audit of the Award of a Grant to the Great Barrier Reef Foundation'. The ANAO proposed to examine the following criteria:

1. Was appropriate departmental advice provided to Ministers to inform the decision to establish a tied partnership fund with the Great Barrier Reef Foundation?
2. Were comprehensive program guidelines developed that complied with the requirements of the Commonwealth Grants Rules and Guidelines?
3. Was the decision to award a grant to the Foundation informed by written departmental advice that met the content requirements of the Commonwealth Grants Rules and Guidelines?
4. Was there appropriate scrutiny of the Foundation's proposal to inform departmental advice on whether a grant should be awarded, and the subsequent development of a grant agreement?⁵³

1.63 The Auditor-General's report on the award of the grant to the Foundation was presented to the Parliament on 16 January 2019.⁵⁴ The findings are discussed in chapter 5 of this report.

51 Correspondence from Mr Finn Pratt AO PSM, Secretary of the Department of the Environment and Energy, to Mr Grant Hehir, Auditor-General, 13 August 2018, www.environment.gov.au/system/files/news/5476deb7-07d6-4674-ad59-781561a1945e/files/secretarys-letter-national-audit-office.pdf (accessed 19 November 2018).

52 Correspondence from Mr Finn Pratt AO PSM, Secretary of the Department of the Environment and Energy, to Mr Grant Hehir, Auditor-General, 13 August 2018, www.environment.gov.au/system/files/news/5476deb7-07d6-4674-ad59-781561a1945e/files/secretarys-letter-national-audit-office.pdf (accessed 19 November 2018).

53 Correspondence from Mr Grant Hehir, Auditor General, Australian National Audit Office, received 24 August 2018 pp. 1–2.

54 Australian National Audit Office, *Award of a \$443.8 Million Grant to the Great Barrier Reef Foundation*, Report 22 of 2018–19 (16 January 2019), www.anoa.gov.au/work/performance-audit/award-4433-million-grant-great-barrier-reef-foundation (accessed 22 January 2019).

1.64 The Auditor-General has also advised that:

The ANAO will also consider undertaking a second audit relating to the partnership, commencing later in 2019–20. This is because, while a grant agreement has been signed, and all funds paid, key aspects of the design of the partnership have not yet been finalised.⁵⁵

55 Correspondence from Mr Grant Hehir, Auditor-General, Australian National Audit Office, received 24 August 2018, p. 1.

