

Coalition Senators' dissenting report

1.1 Coalition senators do not support the findings of the majority committee report.

1.2 There has been exceptional transparency about this grant. Coalition senators note that:

- the then Prime Minister, Treasurer, and Environment and Energy Minister all made statements detailing the body of policy work that provided the basis for the grant;
- the Department of the Environment and Energy (the department) made a detailed submission to the committee, setting out the reasons for the making of the grant and the department's analysis underpinning the grant;
- the Grant Guidelines and Grant Agreement have been published in full on the department's website;
- the Australian National Audit Office (ANAO) has audited the award of the grant; and
- the Great Barrier Reef Foundation (the Foundation) has published all required milestone planning documents on its website.

1.3 The grant builds on years of work that this Government has undertaken to protect and preserve the Great Barrier Reef (the Reef), including the Reef 2050 Plan. This plan was made jointly between the Australian and Queensland Governments and provides the overarching framework for managing and protecting the Reef.¹ Funding under the grant to the Foundation is directed to the key priorities under the 2050 plan.

1.4 Much has been made of the Foundation's administrative costs for the grant, particularly the potential administrative costs under sub-contracts for Reef-related activities.

1.5 Coalition senators note that the Reef Foundation responded to the Auditor-General's findings on this matter. The Foundation clarified that it has a track record of not supplying administrative funding to its partner organisations, particularly large organisations, and that it is unlikely to do so with the projects funded under the grant.

1.6 Coalition senators note that some administrative funding may be appropriate for smaller community organisations delivering Reef-related activities.

1 Department of the Environment and Energy, 'Reef 2050 Long-Term Sustainability Plan', www.environment.gov.au/marine/gbr/publications/reef-2050-long-term-sustainability-plan-2018 (accessed 12 February 2018).

1.7 Moreover, Coalition senators consider that the Foundation's administrative costs have been considerably overstated.

1.8 This inquiry spent a lot of time hypothesising about why the grant was made to the Foundation.

1.9 However, the statements made by Ministers, the department and now the ANAO make it clear that the grant was developed following substantial policy work by the department, which built on the work of an interdepartmental taskforce. It then went through the ordinary Budget process.

1.10 The Government took the view that the grant was the most effective way to make a significant and urgent investment in the Reef, while also managing the Commonwealth Budget. This was only possible because this Government's good financial management meant that the Budget position in 2017–18 allowed for a record investment in the Reef.

1.11 The ANAO audit made clear that the Reef Foundation was identified as the obvious choice for the grant by the department, based on its experience working on Reef policy and programs over several years.

1.12 There was no Ministerial influence over this decision. Rather, the Foundation was chosen because of their proven track record of raising philanthropic funds, their long-standing experience in working with the department and other key stakeholders and the department's first stages of due diligence.

1.13 Coalition senators note that the Reef Foundation has met all milestones under the agreement, and commenced two early funding rounds for projects to improve water quality and citizen science.

1.14 In conclusion, Coalition senators reject the findings of the majority report, and support the Foundation's essential work that will protect and preserve the Reef for future generations.

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Deputy Chair
Senator for Tasmania