

## REEF PROJECT BOARD AGENDA

4 June 2018

JGB 1BS.259, 11:30am – 1:30pm

### Invitees

Stephen Oxley, FAS, HRMD (Chair)

Dean Knudson, Deputy Secretary, Environment Protection Group (Board member)

James Tregurtha, FAS, ESD (Board Member)

Kylie Jonasson, FAS, BCD (Board member)

Margaret Tregurtha, General Counsel, GCB

Linda Nitschke, Chief Finance Officer, FSB

Tom Moloney, Partner, KPMG

Andrew Miles, Deputy General Counsel–Commercial, AGS

Deb Callister, AS, Reef Branch

### Agenda Items

1. Welcome and apologies
2. Review of the Minister's Grant Approval Package
  - S.71 Approval Cover Brief (Attachment 2)
  - Grant Guidelines (Attachment 2C)
  - Grant Funding Proposal (Attachment 2D)
  - Grant Funding Proposal Evaluation (Attachment 2E)
  - Due Dilligence Report (Attachment 2F)
  - Risk Assessment (Attachment 2G)
  - Legal Risk Analysis (Attachment 2H)

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4. Other business

### ATTACHMENTS

- 1: Reef Project Board Terms of Reference
- 2: S.71 approval brief and attachments
  - 2A (not provided)
  - 2B Mandatory grant requirements
  - 2C Grant Guidelines
  - 2D Grant Funding Proposal
  - 2E Grant Funding Proposal Evaluation
  - 2F AGS Due Diligence Report
  - 2G Department's Risk Assessment
  - 2H Legal Risk Analysis

REEF PROJECT BOARD MEETING MINUTES

Review of the Great Barrier Reef Foundation Proposal

4 June 2018

JGB 1BS.259, 11:45am – 2.00pm

**Attendees:**

Board members

Stephen Oxley, FAS, HRMD (Chair)

Dean Knudson, Deputy Secretary, Environment Protection Group

James Tregurtha, A/g FAS, ESD

Kylie Jonasson, FAS, BCD

Observers/Advisors

Rachel Bacon, FAS, PAID [part]

Margaret Tregurtha, General Counsel, GCB

Linda Nitschke, Chief Finance Officer, FSB

Tom Moloney, Partner, KPMG

Andrew Miles, Deputy General Counsel–Commercial, AGS

Deb Callister, AS, Reef Branch

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**Agenda Items:**

**1. Welcome and apologies**

All Board members were present.

**2. Review of the Minister's Grant Approval Package**

Overview and Comments

The Project Board was provided an orientation to the folder of documents they had been asked to review and noted that the primary focus for discussion was the Evaluation of the Great Barrier Reef Foundation's (the Foundation) Proposal against the Grant Guidelines.

The Project Board enquired as to who within the Foundation had approved the Proposal – the Foundation has advised that the Managing Director had approved the final Proposal and that the Foundation's Board will approve the Funding Agreement.

Evaluation of the Foundation's Proposal

The Project Board noted that as per its previous decision, no Project Board member had been involved in the development of the Proposal or preparation of the draft Evaluation.

The Project Board discussed in detail the Grant Funding Proposal Evaluation document prepared by the Reef Branch (Attachment 2E to the package). Detailed comments and required additions/edits on

individual sections are captured in the document at Attachment A to these minutes. This document forms part of these minutes and is the record of the Project Board's review.

The key issues/points raised during the discussion were:

- The Evaluation should favour thoroughness over brevity;
- Defining value for money is critical and needs greater articulation in the Evaluation, approaches to strengthen the assessment were discussed;
- The Evaluation must clearly outline the evidence (including the Department's own direct experience) on which it is based;
- The briefing package needs to include a checklist against the Grant Guidelines, CGRGs and PGPA Act requirements;
- The importance of providing a clear assurance framework for the grant;
- The importance of setting realistic targets and having a sound process in place to monitor and evaluate performance (including drawing on learnings from the ANAO's audit of the Reef Trust);
- The need to articulate clearly the due diligence process the Department has undertaken; and
- Matters that will be addressed in the Funding Agreement and should be referenced in the Evaluation.

**Actions arising:**

Action	Due Date	Responsible Officer
Prepare record of the Project Board's comments and analysis and provide this to Project Board for endorsement	8 June 2018	s22
Revise the Grant Funding Proposal Evaluation to address the Project Board's comments and analysis and provide this to the Project Board for further review	8 June 2018	s22

Minister's Section 71 Brief

The Project Board noted that the next iteration of the Brief would need to reflect a number of the issues raised in their discussion on the Evaluation with a focus on presenting the risks more clearly and on demonstrating how the grant and the grant process complies with the requirements of the CGRGs and PGPA Act.

**Actions arising:**

Action	Due Date	Responsible Officer
Draft new attachment to the briefing package detailing how the proposed grant and grant process complies with	8 June 2018	s22

the CGRGs and PGPA Act and provide this to Project Board for review		
Reference the legal risk advice prepared by AGS in the Brief to the Minister	8 June 2018	s22
Update draft Brief drawing on comments provided by Project Board and provide to Project Board for review	8 June 2018	s22
Confirm if the Secretary would be approving the final briefing package	8 June 2018	s22
Clarify timing of when briefing package would be submitted to Minister and seek time in the Minister's diary	12 June 2018	s22
Provide draft briefing package to AGS for their review (with a focus on the presentation of risk)	12 June 2018	s22

#### Risk Assessment

In the course of the meeting the Project Board raised a number of issues that should be included within the Risk Assessment (provided as Attachment 2G to the package). These included:

s47E(d)

A number of written comments were also provided by members of the Project Board.

#### **Actions arising:**

Action	Due Date	Responsible Officer
Update the Risk Assessment and provide to Project Board for review	8 June 2018	s22

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#### 4. Other Business

# s22

##### Next steps

The Project Board requested that a revised package of documents (not including large attachments already provided) be circulated by COB Friday 8 June 2018. The package will include:

- Revised Evaluation, Brief and Risk Assessment; and
- New documents as requested.

The Project Board agreed to review the revised documentation and reconvene for further discussion on Tuesday 12 June 2018.

## REEF PROJECT BOARD AGENDA

12 June 2018

JGB 1BS.259, 3.30pm – 4:30pm

### Invitees

Stephen Oxley, FAS, HRMD (Chair)  
Dean Knudson, Deputy Secretary, Environment Protection Group (Board member)  
James Tregurtha, FAS, ESD (Board Member)  
Kylie Jonasson, FAS, BCD (Board member)  
Margaret Tregurtha, General Counsel, GCB  
Linda Nitschke, Chief Finance Officer, FSB  
Emma Campbell, Chief Risk Officer, SGB  
Andrew Miles, Deputy General Counsel–Commercial, AGS  
Deb Callister, AS, Reef Branch

### Agenda Items

1. Welcome and apologies
2. Minutes of previous meeting (Attachment 1)
3. Review of the Minister's Grant Approval Package
  - S.71 Approval Cover Brief (Attachment 2)
  - Letters to the PM, Treasurer and Finance Minister (Attachment 2A)
  - Grant processes and requirements (2B)
  - Department's Evaluation of the Proposal (Attachment 2E)
  - Department's Risk Assessment (Attachment 2G)
4. Update on development of the grant funding agreement
5. Other business

### Attachments

- 1: Minutes of Meeting held 4 June 2018
- 2: S.71 approval brief (revised) and attachments
  - 2A Letters to Prime Minister, Treasurer and Minister for Finance, including summary of key clauses in draft Funding Agreement (not previously provided)
  - 2B Grant processes and requirements (new document)
  - 2C Grant Guidelines (previously provided – no change)
  - 2D Proposal from the Foundation (previously provided – no change)
  - 2E Department's Evaluation of the Proposal (revised)
  - 2F AGS Due Diligence Report (previously provided as draft – now final, annexure previously provided)
  - 2G Department's Risk Assessment (revised)
  - 2H Legal Risk Analysis (previously provided as draft – now final)

## PROJECT BOARD REVIEW

### REEF-TRUST - GREAT BARRIER REEF FOUNDATION PARTNERSHIP

#### PARTNERSHIP OVERVIEW

This partnership represents implementation of the Australian Government's decision in the 2018-19 Budget process to boost funding for the Great Barrier Reef.

The grant funding proposal provides \$443.3 million, credited to the Reef Trust Special Account in 2017-18, and approximately \$5 million in departmental funding over 2017-18 to 2023-24, to support a partnership with the Great Barrier Reef Foundation (GBRF). Further payment of funding from the Reef Trust may be made in future financial years. In line with the Government's Reef 2050 Plan and Investment Framework, the GBRF partnership will invest in actions to protect the Great Barrier Reef as follows:

- Addressing **water quality improvement targets** through improved farming practices, reduced fertiliser use and uptake of new technology and land management practices – approximately \$201 million.
- Expanding efforts to **control crown-of-thorn starfish** - approximately \$58 million.
- Harnessing the **best science** to implement reef restoration and funding science that supports reef resilience and adaptation - approximately \$100 million.
- **Engaging the community including traditional owners** in Reef protection – approximately \$22 million.
- Enhancing **Reef health monitoring and reporting** to track progress and inform better management – approximately \$40 million.

The balance is for administration of the investment by the Foundation (approximately \$23 million).

The allocation of funding between the different outcome areas reflects existing government investment priorities and assessments of investment needs, as well as the potential for the GBRF to leverage complementary funding from non-Commonwealth sources.

The grant is defined as a one off or ad-hoc grant (with associated grant guidelines) and the partnership is to be formalised through a grant funding agreement that would allow the Foundation to expend funds over six years.

#### PARTNERSHIP OBJECTIVES

The Reef Trust – Great Barrier Reef Foundation Partnership will:

- facilitate long term investment in actions to protect the Great Barrier Reef;
- boost progress toward Reef 2050 Plan objectives and targets; and
- encourage further private and philanthropic investment in Reef protection.

#### GRANT ESTABLISHMENT

The partnership will be established and managed in accordance with relevant policies and procedures, including but not limited to the Commonwealth Grant Rules and Guidelines and the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

Key stages of the partnership's establishment are as follows:

1. Development and provision of Commonwealth **grant guidelines** to the Foundation;
2. Co-design of a **grant funding proposal** by the Department and the Foundation;
3. **Review** of the funding proposal (and brief to the Minister) by the Reef Project Board;
4. **Section 71 (Ministerial) approval** of the grant funding under the PGPA Act; and
5. Execution of a **grant funding agreement** between the Department and the Foundation.

## **DEVELOPMENT OF THE GRANT GUIDELINES AND FUNDING PROPOSAL**

The grant guidelines will be developed by the Reef Trust Section and approved by the Minister.

The grant funding proposal will be co-designed by the Foundation and the Department to ensure it is well focussed and addresses key government policy and regulatory objectives. The primary purpose of the proposal will be to inform development of the grant funding agreement and to provide material to inform the Minister's Section 71 approval.

## **REEF PROJECT BOARD REVIEW**

The Reef Project Board comprises the Deputy Secretary of the Environment Protection Group, the FAS of the Heritage, Reef and Marine Division (Chair), the FAS of the Biodiversity Conservation Division and the FAS of the Environmental Standards Division.

The Reef Project Board will provide an objective analysis of the grant funding proposal. Specifically, the Board will review the final grant funding proposal and draft Section 71 approval briefing package to ensure that:

- the proposal addresses the requirements of the grant guidelines;
- the proposal aligns with key policy and regulatory objectives;
- any red flags and/or gaps in the process are identified and appropriately addressed; and
- the Minister's briefing package is comprehensive and complete and appropriately advises the Minister of key risks.

Key issues for consideration in the Board's review are provided at **Attachment A**. It is proposed that the board hold a special meeting to complete the review and to document final findings and recommendations.

The review will be undertaken in accordance with the standards of probity and ethics expected of an Australian Government agency. In line with this, members of the Board will not be engaged in or contribute to the drafting of the proposal by the Foundation.

Support for the Reef Project Board will be provided by the Reef Trust Section as required.

## **GRANT APPROVAL**

Following review by the Reef Project Board, the Department will seek the Minister's funding approval. In making his decision, the Minister may seek further advice, clarification or consult other sources of advice.

## MANDATORY REPORTING REQUIREMENTS

Under Part 1 Mandatory Requirements, Requirements for Ministers Sections 4.10 to 4.13 of the *Commonwealth Grants Rules and Guidelines* (CGRGs), you have mandatory obligations associated with approving grants presented by the Department. These include:

- 4.10 Where you approve expenditure under section 71 of the PGPA Act, in relation to a grant or group of grants, you *must* not approve the grant without first receiving written advice from entity staff on the merits of the proposed grant or group of grants. That advice *must* meet the requirements of the CGRGs (paragraph 4.6).
- 4.11 Where the proposed expenditure of relevant money relates to a grant, where you exercise the role of approver you *must* also record, in writing, the basis for the approval relative to the grant guidelines and key considerations of value with relevant money.
- 4.12 (a) Where you approve a grant situated within your own electorate, whether it is one the Department recommended, did not recommend (recommended for rejection) or deemed ineligible (recommended for rejection) for funding, you *must* provide the details of your decision in writing to the Minister for Finance at the time of approval, except where grants are awarded Australia-wide, state-wide, or across a region on the basis of a formula.  
  
(b) Where there is correspondence to the relevant grant recipient, a copy of this letter is sufficient, except if the approval relates to a grant in your own electorate. If there is no correspondence, you must write to the Finance Minister advising of the decision as soon as practicable after it is made.
- 4.13 Where you approve a grant the Department has not recommended (recommended as rejected) or deemed ineligible (recommended as rejected) for funding, you must provide written advice on the basis of your approval for reporting to the Department of Finance in line with the CGRG annual reporting requirement 4.12, i.e. by 31 March each year for grants approved in the preceding calendar year.

Other parts of the CGRGs relevant to these proposed grants include:

- 11.5 Competitive, merit-based selection processes can achieve better outcomes and value with relevant money. Competitive, merit based selection processes should be used to allocate grants, unless specifically agreed otherwise by a Minister, accountable authority or delegate. Where a method, other than a competitive merit-based selection process is planned to be used, officials should document why this approach will be used.
- 13.3 Probity and transparency in grants administration is achieved by ensuring:
  - that decisions relating to granting activity are impartial; appropriately documented and reported; publicly defensible; and lawful. The key relevant requirements are set out in Part 1 of the CGRGs (section 3, Resource Management Framework and section 4, Grants-specific Processes and Requirements);
  - compliance with the public reporting requirements set out in Part 1 of the CGRGs (section 5, Public Reporting); and
  - that grants administration by officials and grant recipients incorporates appropriate safeguards against fraud, unlawful activities and other inappropriate conduct.

REEF PROJECT BOARD MEETING MINUTES

Review of the Great Barrier Reef Foundation Grant Approval Brief

12 June 2018

JGB 1BS.259, 3.30pm – 5.30 pm

**Attendees:**

Board members

Stephen Oxley, FAS, HRMD (telecon and in person)

Dean Knudson, Deputy Secretary, Environment Protection Group (A/g Chair)

James Tregurtha, A/g FAS, ESD

Kylie Jonasson, FAS, BCD

Observers/Advisors

s22 General Counsel Branch

s22 Financial Services Branch

Emma Campbell, Chief Risk Officer

Andrew Miles, Deputy General Counsel–Commercial, AGS

Deb Callister, AS, Reef Branch

s22 Reef Branch

s22 Reef Branch

Apologies

Margaret Tregurtha, General Counsel, GCB

Linda Nitschke, AS, FSB

**Agenda Items:**

**1. Welcome and apologies**

All Project Board members were present.

**2. Minutes of previous meeting**

Minor changes to the draft minutes were suggested and pending these being made they were agreed as final. The Project Board noted that all actions arising from the previous meeting had been completed.

**3. Review of the Minister's Grant Approval briefing package**

The Project Board agreed that overall the revised brief had addressed the issues and challenges identified during the meeting held on 4 June 2018.

The Project Board went through the brief paragraph by paragraph and provided further suggestions for changes. The Project Board reiterated the importance of ensuring that language is consistent throughout the briefing package.

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The Project Board discussed the risks associated with the grant and the importance of being clear in the briefing to the Minister on these risks and how they were proposed to be managed.

The Project Board considered the due diligence process undertaken by the Department s42 s42 to be satisfactory.

The Project Board provided further edits on the Evaluation. The Project Board was satisfied with the new attachment to the briefing package detailing how the proposed grant and grant process complies with the CGRGs and PGPA Act.

**Actions arising:**

Action	Due Date	Responsible Officer
Revise the Brief and Evaluation to address the Project Board's comments	14 June 2018	s22

s22

#### **4. Other Business**

Next steps

The Project Board agreed that it did not need to reconsider the revised briefing package and it would receive final clearance from Stephen Oxley and Dean Knudson (in his capacity as Deputy Secretary of the Environment Protection Group) before being provided to the Secretary for final clearance.

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PROTECTED

Sensitive: Cabinet

DEPARTMENT OF THE ENVIRONMENT AND ENERGY

PDR: MS18-900282

To: Minister for the Environment and Energy (For Decision)

cc: Assistant Minister for the Environment

REEF TRUST GRANT TO THE GREAT BARRIER REEF FOUNDATION

Timing: 22 June 2018 to enable the grant funds to be paid this financial year



Recommendations:

1. You agree to accept the risks associated with this grant that are described in this brief and its attachments, particularly the Department's risk assessment and management plan at **Attachment A** and the Australian Government Solicitor's advice at **Attachment B**.

Agreed / Not Agreed

2. Having regard to the information within this brief and its attachments, you approve expenditure of \$443.303 million GST exclusive (\$487.633 million GST incl), in accordance with section 71 of the *Public Governance, Performance and Accountability Act 2013*, as a one-off, ad hoc grant from the Reef Trust Special Account to the Great Barrier Reef Foundation, subject to the passage of the appropriation bill through Parliament.

Approved / Not Approved

3. You sign the attached letters to the Prime Minister, Minister for Finance and the Treasurer (see **Attachment C**).

Signed / Not Signed

4. You note that execution of the Funding Agreement will be made by the relevant Departmental delegate.

Noted / Please Discuss

Signatory:

Comments:

Date:

22/6/18

Clearing Officer: Sent 14/6/2018	Finn Pratt	Secretary	Ph: 02 6274 1550
Contact Officer:	Deb Callister	Assistant Secretary Reef Branch	Ph: 02 6275 9424 Mob: s22

Sensitive: Cabinet

PROTECTED



**Key Points:**

1. This brief seeks your approval of funding to be provided to the Great Barrier Reef Foundation from the Reef Trust. The period of this funding is for six years (2018-19 to 2023-24), however the payment is an up-front payment to be made in 2017-18, consistent with the decision taken by the Government in the 2018-19 Budget context. This spending proposal is a one-off, ad hoc grant within the meaning of the Commonwealth Grants Rules and Guidelines (CGRGs) sections 2.3 and 2.5. Therefore this proposal is bound by the requirements of the CGRGs.
2. The provision of a one-off, ad hoc grant to the Foundation would:
  - a. meet the Government's policy objective to protect and manage the Great Barrier Reef in accordance with the Reef 2050 Plan by addressing four of the six priority areas for investment as described in the Reef 2050 Investment Framework (noting that the other two priorities relate to the joint field management program, which has been provided with additional funds as part of the 2018-19 Budget; and fisheries actions which are the responsibility of Queensland); and
  - b. be consistent with the Reef Trust's objective and outcomes and the debiting provisions of the *Public Governance, Performance and Accountability Act (Reef Trust Special Account 2014) Determination 01*.
3. The Department is relying on Appropriation Bill (No. 5) 2017-18 being enacted by Parliament so that an amount equivalent to the grant funds can be credited to the Reef Trust Special Account. The Special Account will provide legal authority for the Commonwealth to make the grant.
4. In approving grant funding you are doing so under section 71 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). Approval under section 71 means that, after reasonable enquiry, you are satisfied that this spending proposal would be a 'proper' (efficient, effective, economical and ethical) use of 'relevant money'. Paragraph 4.10 of the CGRGs requires you to record the basis for approval of the grant relative to the grant guidelines and the key grant management principles including achieving value with relevant money. This brief and its attachments serve that purpose.
5. If there are other reasons why the Government decided to select the Foundation to receive a one-off, ad hoc grant that are not described in the relevant Cabinet documents **s34(3)** you may wish to indicate these by annotating the first page of this brief.
6. There are a range of mandatory and relevant requirements to consider and satisfy in respect of a proposed grant, applicable to both officials and ministers. These are described in the PGPA Act; the *Public Governance, Performance and Accountability Rule 2014*; and the CGRGs. An analysis of how these requirements have been or will be met, including the specific requirements that apply to you as a minister, is included at **Attachment D**.

7. If your approval is not given, or is made conditional on the Foundation meeting additional obligations, please advise the reasons for your decision and any conditions placed on the approval, for follow-up by the Department.
8. The implementation and delivery of this one-off, ad hoc grant is not without risk. The Department has worked to identify these risks and put in place strategies to mitigate them, but it is not possible to eliminate all risk. Risk is further discussed at paragraphs 23 to 34.
9. Prior to submission, this briefing package was reviewed and endorsed by the Reef Project Board. The Board comprises Stephen Oxley, First Assistant Secretary Heritage, Reef and Marine Division (Chair), Dean Knudson, Deputy Secretary Environment Protection Group, Kylie Jonasson, First Assistant Secretary Biodiversity Conservation Division, and James Tregurtha, A/g First Assistant Secretary Environmental Standards Division. No Project Board member was involved in co-development of the Foundation's Proposal.

#### Foundation's Proposal

10. On 24 May 2018 you approved Grant Guidelines to guide the development of the Foundation's Proposal (MS18-900215 refers). The guidelines are at **Attachment E**.
11. The Foundation has developed a Proposal which responds to the approved guidelines. Members of the Department's Reef Branch worked collaboratively with the Foundation during the preparation of their Proposal, however, it was substantially the work of the Foundation and its final approval was provided by the Foundation's Managing Director. The final Proposal was submitted to the Department on 28 May 2018 and is provided at **Attachment F**.
12. The Foundation's Proposal fully meets the criteria described in the Grant Guidelines (refer checklist at **Attachment D**)
13. The Department's evaluation of the Proposal against the Grant Guidelines (see Evaluation at **Attachment G**) found that the Foundation has demonstrated its capability as a program delivery partner, including its potential to raise non-government funding for Reef protection initiatives. The Proposal states that over the past 10 years the Foundation has secured more than \$80 million for the Reef, with \$30 million of that secured in the past 18 months. The Proposal also states that the Foundation's Board has previously approved a \$100 million fundraising plan intended to start in 2019.
14. The Proposal describes a history of collaboration by the Foundation with a wide range of public and private Reef stakeholders. These include some relatively large, complex, multi-stakeholder projects harnessing relevant scientific and technical capacity, which were partly funded by the Australian Government (for details refer to the Due Diligence discussion below in paragraphs 19 to 22).
15. The Foundation will need to broaden and scale-up its capacity and operations to deliver the grant. The Proposal from the Foundation recognises this as a significant risk.



In its Proposal, the Foundation states that its Chairman's Panel group will provide it with ready access to the resources and advice needed to scale the organisation and manage an expanded portfolio of projects. The Proposal includes a draft high-level transition plan and describes actions already underway by the Foundation to address this risk. These actions include engaging PwC to undertake a maturity assessment of the organisation; engaging s47G(1)(a) to assist in program design; engaging s47G(1)(a) for innovation support; engaging s47G(1)(a) to assist with key stakeholder markets; and engaging a leadership coach and human resources consultant. The Foundation is also exploring flexible short-term approaches such as seconding experts from other organisations, and engaging consultants with relevant experience/expertise. The preparation of a detailed resourcing plan will be an early milestone in the grant funding agreement.

16. The Foundation has a governance framework. It is a company limited by guarantee established under the *Corporations Act 2001* (Cth), and is governed by a board of directors. It has an Audit, Risk and Compliance Committee and an International Scientific Advisory Committee. The Foundation states that its governance structures, policies and procedures are equivalent to those typically seen in organisations many times their size and that this provides a framework to scale their operations.
17. The Foundation's Proposal indicates that it will work cooperatively with the Australian and Queensland Governments and the existing Reef 2050 governance and advisory bodies (Independent Expert Panel and Reef Advisory Committee) to deliver the grant.
18. The Department has concluded that the Proposal from the Foundation represents value for money and a proper use of Commonwealth resources, for the following reasons:
  - a. The activities that the Government is supporting through delivery of the grant have been developed in close consultation with a range of Reef stakeholders including the non-government sector.
  - b. The governance arrangements proposed by the Foundation will form a key component of the assurance framework for the grant. These measures will be enshrined in the grant funding agreement. The agreement will include the requirement for the Foundation to develop annual activity plans, an investment strategy, a resourcing plan and a co-financing strategy plan. It will require the Foundation to maintain robust governance and stakeholder engagement arrangements to deliver the partnership and to inform development of the investment strategy and annual activity plans. This includes the need to establish a Partnership Management Committee and the need to consult with the existing Reef 2050 advisory bodies and the Great Barrier Reef Ministerial Forum. The Foundation has existing engagement with the Reef 2050 advisory bodies so will not need to service or establish equivalent new governance bodies.
  - c. The proposed investment planning cycle will ensure on-ground projects are designed and implemented in line with Reef Trust investment principles, including the use of best available scientific and expert advice.

- d. The government is providing funding for the Foundation's administration and reporting costs at 5 per cent of the total (as opposed to the usual 15 per cent for Reef Trust contracts). Interest earned on the grant can be used to fund further administration costs up to a maximum of another 5 per cent.
- e. The six year duration, certainty and magnitude of funding should enable longer-term, strategic investments to be developed and adaptively managed over the life of the grant.
- f. The Foundation has a good track record of fundraising and project delivery (refer paragraph 13) and is well placed to leverage additional co-investment.

#### Due Diligence

19. The Department and AGS undertook a due diligence review of the Foundation to establish its fitness to receive the grant. s42

s42

s42 The Foundation did not appear on the Australian Securities and Investment Commission's insolvency notices website, enforceable undertakings register or summary of prosecutions register.

20. In its Proposal, the Foundation identified one perceived conflict of interest, being that Dr Russell Reichelt, a Director of the Foundation, is the Chairman and Chief Executive of the Great Barrier Reef Marine Park Authority. The Authority is potentially a recipient of grant funds. The Foundation's Proposal described a range of mechanisms for dealing with conflicts of interest in accordance with its Conflict of Interest Policy. This conflict of interest is also reflected in the Department's risk assessment.
21. The other information provided to the Department by the Foundation with its Proposal, which included information prepared as part of due diligence checks by major donors to the Foundation, and the Department's own experience managing past grants to the Foundation, did not raise any material issues that would preclude the Foundation from receiving the grant.
22. The due diligence review included:
- a. Undertaking searches relating to the Foundation and its directors, including searches of registers maintained by the Australian Securities and Investments Commission and the Personal Property Securities Register, property searches, litigation searches and certain media searches. s42
- s42
- b. Reviewing a range of information provided by the Foundation on request and s42 including corporate information, financial reports, compliance with applicable laws and claims made against the Foundation s42

- c. Reviewing a range of information provided with the Foundation's proposal including its financial statements, Chairman's Panel members, corporate partners, research partners, committee memberships and charters, curriculum vitae for key personnel, corporate governance arrangements, constitution, 2018 budget, human resources policies, stakeholder relations strategy and funding guidelines (refer annexures to the Foundation's Proposal at **Attachment F**).
- d. Reviewing and considering the Department's own experience in managing grants provided to the Foundation under a range of Reef-related programs over the last seven years. Examples include the eReefs project (\$30 million collaboration including Australian Government funds, 2012-2018) which saw the development of a comprehensive coastal information system for the Great Barrier Reef; and *Resilient Reefs: Successfully Adapting to Climate Change* (\$12.5 million through the Australian Government Reef Program, 2013-2017). The Department's experience of project delivery by the Foundation is that sub-contracts were established efficiently, all milestones were met and the work was completed to a high standard. Reporting was of a high standard and generally submitted on time; if there were delays the Department was advised, informed of the reasons and new dates for submission of reports were negotiated.

#### Risks

- 23. This discussion of risk has been informed by the Department's risk assessment and management plan (**Attachment A**) and advice on legal risks provided by the Australian Government Solicitor (**Attachment B**).
- 24. The grant to the Foundation is a non-competitive, one-off, ad hoc grant of \$443.3 million, to be paid to one non-government body in a single payment in 2017-18, for dispersal over six years, in accordance with the terms of a grant funding agreement.

s47C, s47E(d)  
s47C, s47E(d)  
s42



## s42

29. The Australian National Audit Office's most recent *Better Practice Guide* for managing grants states that where payments are made in advance there should be a net benefit in doing so. The benefit in paying the grant up-front is that the Foundation's administration and reporting costs are reduced; and that the up-front payment is intended to better enable the Foundation to maximise co-funding opportunities.
30. There is risk associated with awarding a large grant to the Foundation, which is a relatively small organisation. The Department notes that the Foundation is already taking steps to increase its capacity to project manage delivery of the grant components, has an understanding of the issues surrounding the Reef and is engaged with the governance structures associated with the Reef 2050 Plan. In addition, the Funding Agreement will provide for extensive consultation in the preparation of the investment strategy and annual work plans, including with the Great Barrier Reef Ministerial Forum.

## s47C, s47E(d)

32. Some of the key mitigations and controls put in place by the Department include:
- a. the engagement of the AGS early in the process to advise on the process and the drafting of appropriate Grant Guidelines and the Funding Agreement;
  - b. ongoing engagement with officials from the Department of Finance, Department of Prime Minister and Cabinet and Treasury;
  - c. working collaboratively with the Foundation to ensure their Proposal is aligned to the outcomes sought by the Government and includes appropriate governance and stakeholder engagement;
  - d. seeking expert advice **s47G(1)(a)** on the accounting treatment of the funding and building this into the drafting of the Funding Agreement;
  - e. the development and implementation of a robust project oversight framework by the Department;
  - f. utilising the Department's Reef Project Board to provide senior executive review of the process, including this brief;
  - g. the publication of the Grant Guidelines to promote transparency;
  - h. the proposed Commonwealth Government observer on the Board and the Partnership Management Committee;
  - i. taking security over the unexpended part of the grant;

- j. developing early milestones in the Funding Agreement requiring the Foundation to demonstrate its scaling-up activities; and
  - k. inserting a range of protective measures in the Funding Agreement that allow for termination for fault (including but not limited to: if the Foundation breaches the Agreement; is insolvent or subject to external administration; or breaches a law), step-in rights if the Agreement is terminated or at the request of the Foundation, and repayment of uncommitted funds if the Agreement is terminated, or its scope reduced, or the grant period ends.
33. Noting this, the Department's assessment is that the mitigations and controls it has put in place reduce the risks and assist to ensure that the desired outcomes can be achieved in an efficient and effective way. s47C, s47E(d)  
s47C, s47E(d)  
s47C, s47E(d)

## s42

### Grant Funding Agreement

35. The Department is negotiating a Funding Agreement with the Foundation. The Funding Agreement will include clauses on use of the grant, governance, consultation, Commonwealth security over the funds, work health and safety requirements, and key steps in scaling up the Foundation's capacity.
36. While negotiations around the Funding Agreement are well advanced, there remain some key issues yet to be resolved. These relate to confidentiality requirements applying to the Commonwealth Observer on the Foundation's Board, and how the Foundation invests the grant funding. The Department is working to resolve these matters.
37. Subject to your approval of the grant, and resolution of the outstanding issues described above, the Funding Agreement with the Foundation will be executed by a relevant delegate under the PGPA Act and the funds paid to the Foundation in this financial year. Note that the grant can only proceed if the necessary funds are appropriated to the Reef Trust Special Account and, accordingly, the grant agreement will have no legal force or effect unless Appropriation Bill (No. 5) 2017-18 receives Royal Assent on or before 29 June 2018.
38. Consistent with the Government's decision, letters to the Prime Minister, Minister for Finance and the Treasurer providing a summary of the key clauses within the Funding Agreement have been prepared for your signature (refer **Attachment C**).

### Alternatives to this Arrangement

39. Should you decide not to approve the one-off, ad hoc grant to the Foundation, the Department can provide advice about alternative options. These options would not allow the funds to be expended in the 2017-18 financial year.



**Sensitivities and Handling**

40. The provision of this grant to the Foundation is under close scrutiny including from the Senate and the Australian National Audit Office; and through Freedom of Information requests and media enquiries. The Department is working to ensure a robust and accountable process is in place, with the ultimate objective of providing a substantial investment to benefit the health of the Great Barrier Reef.
41. We understand that on 1 June 2018 Mr Stephen Roberts stepped down from the Foundation's Board. This followed the laying of criminal charges under the *Competition and Consumer Act 2010* (Cth) for his alleged involvement in criminal cartel conduct. Mr Roberts' former connection to the Foundation was subject to media coverage.

**Consultation: YES**

42. Consultation has been undertaken internally with: General Counsel Branch; Chief Risk Officer; Communications, Innovation and Partnerships Branch; Financial Services Branch; and Governance Branch. Consultation has been undertaken externally with: the Great Barrier Reef Marine Park Authority; Department of Prime Minister and Cabinet; Department of Finance; Treasury; Department of Industry, Innovation and Science; and the Australian Government Solicitor.

**ATTACHMENTS**

- A:** Department's Risk Assessment and Management Plan
- B:** AGS Legal Risk Advice
- C:** Letters to the Prime Minister, Treasurer and Minister for Finance, including a summary of key clauses in the draft Funding Agreement
- D:** Grant processes and requirements compliance
- E:** Grant Guidelines
- F:** Proposal from the Foundation
- G:** Department's Evaluation of the Proposal
- H:** AGS Due Diligence Report





**THE HON JOSH FRYDENBERG MP  
MINISTER FOR THE ENVIRONMENT AND ENERGY**

MS18-900282

The Hon Malcolm Turnbull MP  
Prime Minister  
Parliament House  
CANBERRA ACT 2600

20 JUN 2018

Dear Prime Minister

I am writing to inform you that negotiations with the Great Barrier Reef Foundation to deliver the Reef Trust – Great Barrier Reef Foundation Partnership are progressing well. To this end, and in accordance with my obligations under the *Public Governance, Performance and Accountability Act 2013*, I have now approved expenditure of \$443.303 million (GST exclusive) as a one-off grant from the Reef Trust Special Account to the Foundation.

The Foundation's grant funding proposal was reviewed by my Department and found to meet the requirements set out in the Grant Guidelines and to demonstrate the Foundation's suitability as an appropriate program delivery partner.

My Department is now finalising the terms of the grant funding agreement with the Foundation with the intention to execute on or before 29 June 2018. In line with the Government's decision on establishing this grant, I attach a summary of the key details, including governance arrangements, for your information. This agreement has been informed by the Partnership Collaboration Principles and the Foundation's grant funding proposal. It has been developed with advice from the Australian Government Solicitor and with the advice of officers from your Department, the Treasury and the Department of Finance.

Payment of the grant will be made following execution of the grant funding agreement and the appropriation of the approved budget to my Department.

Yours sincerely

A handwritten signature in dark ink, appearing to be 'J Frydenberg', written over a horizontal line.

JOSH FRYDENBERG

CC: The Hon Melissa Price MP, Assistant Minister for the Environment

Enc: Reef Trust – Great Barrier Reef Foundation Partnership Grant Agreement Summary



**THE HON JOSH FRYDENBERG MP**  
**MINISTER FOR THE ENVIRONMENT AND ENERGY**

MS18-900282

The Hon Scott Morrison MP  
Treasurer  
Parliament House  
CANBERRA ACT 2600

20 JUN 2018

Dear Treasurer

I am writing to inform you that negotiations with the Great Barrier Reef Foundation to deliver the Reef Trust – Great Barrier Reef Foundation Partnership are progressing well. To this end, and in accordance with my obligations under the *Public Governance, Performance and Accountability Act 2013*, I have now approved expenditure of \$443.303 million (GST exclusive) as a one-off grant from the Reef Trust Special Account to the Foundation.

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Payment of the grant will be made following execution of the grant funding agreement and the appropriation of the approved budget to my Department.

Yours sincerely

A handwritten signature in dark ink, appearing to be 'J Frydenberg', with a long horizontal stroke extending to the right.

JOSH FRYDENBERG

CC: The Hon Melissa Price MP, Assistant Minister for the Environment

Enc: Reef Trust – Great Barrier Reef Foundation Partnership Grant Agreement Summary



**THE HON JOSH FRYDENBERG MP  
MINISTER FOR THE ENVIRONMENT AND ENERGY**

MS18-900282

Senator the Hon Mathias Cormann  
Minister for Finance  
Parliament House  
CANBERRA ACT 2600

20 JUN 2018

Dear Minister

I am writing to inform you that negotiations with the Great Barrier Reef Foundation to deliver the Reef Trust – Great Barrier Reef Foundation Partnership are progressing well. To this end, and in accordance with my obligations under the *Public Governance, Performance and Accountability Act 2013*, I have now approved expenditure of \$443.303 million (GST exclusive) as a one-off grant from the Reef Trust Special Account to the Foundation.

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My Department is now finalising the terms of the grant funding agreement with the Foundation with the intention to execute on or before 29 June 2018. In line with the Government's decision on establishing this grant, I attach a summary of the key details, including governance arrangements, for your information. This agreement has been informed by the Partnership Collaboration Principles and the Foundation's grant funding proposal. It has been developed with advice from the Australian Government Solicitor and with the advice of officers from your Department, the Treasury and Department of Prime Minister and Cabinet.

Payment of the grant will be made following execution of the grant funding agreement and the appropriation of the approved budget to my Department.

Yours sincerely

A handwritten signature in dark ink, appearing to be 'J Frydenberg', written over a light blue horizontal line.

JOSH FRYDENBERG

CC: The Hon Melissa Price MP, Assistant Minister for the Environment

Enc: Reef Trust – Great Barrier Reef Foundation Partnership Grant Agreement Summary



**Reef Trust – Great Barrier Reef Foundation Partnership**  
**Summary of key clauses in the Draft Grant Agreement**  
*(Noting that the Agreement is subject to ongoing negotiation)*

- The Agreement sets out the requirements for the Foundation to spend the Grant **consistently with the purposes of the Reef Trust Special Account Determination** and the **objectives and outcomes of the Reef 2050 Plan** to achieve significant, measurable improvement in the health of the Great Barrier Reef World Heritage Area during the six year term.
- **Five core Activity Components** are outlined in separate Schedules that the Foundation must perform activities across: water quality improvement; crown-of-thorns starfish control; reef restoration and adaptation science; Indigenous and community engagement; and integrated monitoring and reporting. The Agreement also includes the option for further components to be added as additional Schedules if agreed by both parties.
- The Foundation is required to **select and implement projects** for each component, based on the **best available science** with clear, outcome-based and independently verifiable performance measures.
- The Foundation agrees to **monitor and evaluate** each Activity's outcomes and to participate in any review or evaluation of the Agreement, and will develop a **Monitoring and Evaluation Plan** that sets out how it will monitor and report on each Activity.
- The Agreement also includes an **Administrative Component** which details key milestones that the Foundation must deliver in the initial stages of the partnership. This includes the requirement for the Foundation to prepare a number of **Plans** (as referred to in various sections of this summary) to ensure that it has the core requirements in place to scale up its capability. These Plans will then be updated as required.
- The Foundation will develop a **Resourcing Plan** which sets out how the Foundation will increase its capacity to deliver the Activities. The Agreement also confirms that the Department may make **secondedees available** to the Foundation from time to time, particularly in the early stages.
- The Agreement provides for an adaptive management approach, incorporating annual planning (including co-investment by non-government organisations), reporting and review over the six years of the Grant. The Foundation is required to prepare an **Investment Strategy and the Annual Work Plans in consultation** with the Department, the Great Barrier Reef Marine Park Authority and Queensland's Office of the Great Barrier Reef. In addition, the Foundation will provide these Plans to the following **advisory bodies** for their review and comment: the Reef 2050 Independent Expert Panel; the Reef 2050 Advisory Committee; and the Great Barrier Reef Ministerial Forum.
- The Foundation is also required to prepare a **Communication and Stakeholder Engagement Plan** that sets out its approach and proposed activities regarding its communication of the Activities under the Grant and its engagement with the full range of stakeholders.
- Standard **subcontracting provisions** are included in the Agreement such that the Foundation may subcontract the performance of Activities to appropriately qualified and experienced subcontractors, selected using **rigorous and robust assessment criteria** in accordance with the principles of open, transparent and effective competition, **value for money** and fair dealing.
- The Agreement includes **strong governance requirements** including a **Commonwealth Observer** on the Foundation's Board. In addition, the Foundation is required to notify the Department of any proposed or actual material change in the Foundation's **constitution, structure, management or financial position** and of any notice regarding placing the Foundation under **external administration** under the *Corporations Act 2001*.
- The Foundation also agrees to **engage governance and risk management experts** to assist it to develop and implement robust governance, anti-corruption, fraud prevention and risk management policies and procedures. This includes the development of a **Fraud Prevention Plan** that sets out the

Foundation's approach to ensuring that fraud does not occur in relation to the Grant, including by the Foundation's personnel and subcontractors. The Foundation will also prepare a **Risk Management Plan** that outlines how it will manage and mitigate risks, including appointing a Risk and Compliance officer.

- The Agreement details requirements for **recordkeeping** and that the **Grant is held in a separate account** to the Foundation's other operational accounts and its Public Fund.
- The Foundation agrees to develop and implement a **Co-Financing Strategy Plan**, which sets out how the Foundation will leverage the up-front payment of the Grant to raise other contributions from private and philanthropic donors.
- A strict **Security in favour of the Commonwealth** clause is included in the Agreement detailing that the Foundation **grants a security interest** over any part of the Grant that has not been spent on the agreed Activity to the Department to secure the proper performance of the Foundations obligations.
- The Foundation also agrees to **acknowledgment and publicity** requirements to use the Department's 'Reef Trust' branding and to seek the Department's comment on any publication, promotional or advertising materials relating to the Activities.
- A **Termination of reduction in scope of Agreement** clause outlines the conditions under which a termination event occurs and that the Department may give notice to terminate or reduce the scope of the Agreement immediately under these circumstances.
- The Agreement specifies **Step in rights** which details the Department's rights to issue a Step-In-Notice to the Foundation, **removing the Foundation's right to use the Grant** for the part of the Activity specified in the notice and outlining further actions to recover costs from the Foundation if required.
- **Suspension and repayment of the Grant** is also outlined in detail, specifying the conditions under which the Department may exercise its rights to direct the Foundation to **immediately cease expenditure of some or all of the Grant**; obtain information about the **Grant amount or bank account**; **recover** any part of the Grant relating to any **removed Activity**; and **recover** any part of the Grant **not legally committed for expenditure** prior to the end of the Activity period or that the Department deems has **not been spent in accordance with the Agreement**. This clause also covers requirements for the Foundation to take all reasonable steps to **recover amounts from Funding Recipients** and for the Foundation to **pay any amount owed as a Debt to the Department, including Interest** on any amount due but unpaid.
- Schedule 1 details **Reporting Requirements**, with the Foundation to provide the Department with **six monthly progress reports** and an annual report with **audited financial statements** each year regarding the receipt and expenditure of the Commonwealth Funds and other contributions.
- The Agreement also includes **standard provisions** for: Assets; Intellectual property; Confidential information; Privacy obligations; Conflicts of Interest; Compliance with Legislation; Work Health and Safety; Warranties; Audit and access; Liability; Insurance; Dispute resolution; Force majeure events; Notices; and Australian Industry Participation Plan.

**GRANT PROCESSES AND REQUIREMENTS COMPLIANCE TABLE**  
**REEF TRUST - GREAT BARRIER REEF FOUNDATION PARTNERSHIP**

This table sets out mandatory and relevant requirements for the Department of the Environment and Energy (**Department**) to consider and satisfy in respect of the proposed grant to the Great Barrier Reef Foundation (**Project**).

The Table considers the requirements of (i) the *Public Governance, Performance and Accountability Act 2013* (Cth) (**PGPA Act**); (ii) the *Public Governance, Performance and Accountability Rule 2014* (Cth) (**PGPA Rule**); (iii) the *Commonwealth Grant Rules and Guidelines 2017* (**CGRGs**); and (iv) the Grant Guidelines (**GGs**) approved for the grant and how they relate to payment of a Commonwealth grant. Mandatory requirements of the CGRGs are denoted by the word 'must'.

This document does not, and does not purport to, set out all requirements of the above instruments or other instruments generally relating to the Project. It is limited only to those that are specifically relevant to payment of the Commonwealth grant for the Project and any other ongoing obligations of the Department that may be relevant to the Project. The Department of Finance has published Resource Management Guides<sup>1</sup> that are also relevant to the commitment of relevant money by the making of a grant. Except where otherwise indicated, such Guides are not addressed in this document.

	Ref	Requirement	How addressed	Grant Agreement ref (if relevant)
<b>1. MANDATORY PGPA ACT REQUIREMENTS</b>				
1.1.	Section 23 Power in relation to arrangements and commitments	(1) The accountable authority of a non-corporate Commonwealth entity may, on behalf of the Commonwealth:  (a) enter into arrangements relating to the affairs of the entity; and	The decision whether to approve the Grant to the Foundation will be made by the Minister under s 71 of the PGPA Act.  The Department will ensure the signatory for the Grant Agreement will be determined in accordance with applicable requirements (in particular, any financial limitations) of the	Execution provision

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<sup>1</sup> The most relevant are RMG 400 *Approving commitments of relevant money*, RMG 411 *Grants, Procurements and Other Financial Arrangements* and RMG 412 *Australian Government Grants: Briefing and Reporting*.



	Ref	Requirement	How addressed	Grant Agreement ref (if relevant)
		<p>(b) vary and administer those arrangements.</p> <p>(2) An arrangement includes a contract, agreement, deed or understanding.</p> <p>(3) The accountable authority of a non-corporate Commonwealth entity may, on behalf of the Commonwealth, approve a commitment of relevant money for which the accountable authority is responsible.</p> <p>[Note: see <a href="#">RMG 400 Commitment of relevant money</a> for further information.]</p>	Department's Secretary's Instructions or PGPA Delegations Instrument.	
1.2.	Section 60 Indemnities, guarantees or warranties by the Commonwealth	<p>(1) The Finance Minister may, on behalf of the Commonwealth, grant an indemnity, guarantee or warranty.</p> <p>(2) The grant of the indemnity, guarantee or warranty must be in accordance with any requirements prescribed by the rules.</p> <p>[Note: requirements for indemnities, guarantees and warranties are set out in <a href="#">RMG 414</a>. These include that if an indemnity is given, the relevant liability must have less than a 5% chance of occurring and, if it does occur, result in a liability of less than \$30 million. If this cannot be complied with, approval is required from the Prime Minister, Finance Minister or Cabinet in accordance with <a href="#">RMG 414</a>.]</p>	<p>The Grant Agreement has the Commonwealth giving an indemnity in respect of loss or damage suffered by the Foundation as a result of the Commonwealth Observer failing to observe their obligations under the confidentiality agreement to be entered into between the Commonwealth Observer and the Foundation.</p> <p>The Department considers the likelihood of the Commonwealth Observer incurring any liability for the Commonwealth, let alone a liability exceeding \$30 million, to be very low (assuming the Commonwealth Observer is subject to an appropriate selection process and is a reasonably senior Departmental officer, as contemplated). On that basis, the Department considers the indemnity to be acceptable.</p>	Clause 6.2.13
1.3.	Section 71 Approval of proposed	<p>(1) A Minister must not approve a proposed expenditure of relevant money unless the Minister is satisfied, after making reasonable inquiries, that the</p>	The Department has prepared a Brief to the Minister which will assist the Minister to make the 'reasonable enquiries' necessary in order to form a view on whether the proposed Grant is a 'proper' use of relevant money.	N/A

	Ref	Requirement	How addressed	Grant Agreement ref (if relevant)
	expenditure by a Minister	<p>expenditure would be a proper use of relevant money.</p> <p>(2) If a Minister approves a proposed expenditure of relevant money, the Minister must:</p> <p>(a) record the terms of the approval in writing as soon as practicable after giving the approval; and</p> <p>(b) comply with any other requirements prescribed by the rules in relation to approvals of proposed expenditure.</p>	<a href="#">RMG 412</a> includes information, including a checklist, about what information should be considered when preparing briefs. The Department has had regard to these requirements when preparing its brief. A detailed response against the checklist is included at the end of this table.	
<b>2. MANDATORY PGPA RULE REQUIREMENTS</b>				
2.1.	18 Approving commitments of relevant money	<p>(1) If:</p> <p>(a) the accountable authority of a Commonwealth entity is approving the commitment of relevant money for which the accountable authority is responsible; or</p> <p>(b) an official of a Commonwealth entity is approving the commitment of relevant money for which the accountable authority of a Commonwealth entity is responsible;</p> <p>then the accountable authority or official must record the approval in writing as soon as practicable after giving it.</p> <p>(2) To avoid doubt, the official must approve the commitment, and record the approval, consistently with any written requirements (including any requirements relating to the proper use of that money</p>	This requirement is not applicable as the Minister is approving the commitment of relevant money.	N/A



	Ref	Requirement	How addressed	Grant Agreement ref (if relevant)
		<p>and spending limits) specified by the accountable authority referred to in paragraph (1)(b) in:</p> <p>(a) if the official is acting under a delegation or authorisation of the accountable authority:</p> <p>(i) the instrument that delegates to the official, or otherwise authorises the official to exercise, the accountable authority's power to approve the commitment of relevant money; or</p> <p>(ii) a direction to the official in relation to the exercise of that power; or</p> <p>(b) instructions given by the accountable authority.</p>		
<b>3. MANDATORY CGRG REQUIREMENTS</b>				
3.1.	Paragraph 2.10	Officials <u>must</u> comply with the CGRGs.	This table sets out how the Department and its officials have complied with the CGRGs.	N/A
3.2.	Paragraph 3.2	<p>The resource management framework contains an overarching requirement that accountable authorities <u>must</u> govern entities in a way that promotes proper use and management of public resources.</p> <p>In managing the affairs of the entity, accountable authorities <u>must</u> comply with the Constitution, the PGPA Act, the PGPA Rule and any other relevant law.</p> <p>In addition, accountable authorities of non-corporate Commonwealth entities <u>must</u> govern the entity in a way that is not inconsistent with the policies of the Australian Government.</p>	The Department has implemented a number of governance, assurance and internal control mechanisms to satisfy these requirements including the Secretary's Instructions (otherwise referred to in the PGPA Act as Accountable Authority Instructions), delegations instrument and policies and procedures.	N/A

	Ref	Requirement	How addressed	Grant Agreement ref (if relevant)
3.3.	Paragraph 3.3	Ministers <u>must</u> also comply with the relevant legislative requirements in the PGPA Act and Rule and the CGRGs.  Officials <u>must</u> advise their Ministers on these requirements.	The Department's advice on those requirements is contained in this table and in the Brief.	N/A
3.4.	Paragraph 3.4	The PGPA Act and Rule provides the overarching accountability framework for grants administration. Accountable authorities and officials <u>must</u> consider their obligations under the PGPA Act and Rule when undertaking grants administration.  Internal guidelines, operational guidance and grant opportunity guidelines <u>must</u> be consistent with these requirements, while including any additional specific processes.	The Department's consideration of these requirements is demonstrated in the Brief (including the evaluation of the Foundation's Proposal).  The Department developed Grant Guidelines for the Project (the Reef Trust – Great Barrier Reef Foundation Partnership Grant Guidelines). The Department undertook a process consistent with its usual procedures to ensure the Grant Guidelines were prepared in accordance with the CGRGs. The Department also sought advice from the Australian Government Solicitor (AGS) and central agencies on the Grant Guidelines and drafting of the Grant Agreement. s42 s42 s42	N/A
3.5.	Paragraph 3.5	Section 15 of the PGPA Act provides that an accountable authority <u>must</u> govern the affairs of the entity in a way that promotes proper <sup>2</sup> use and management of public resources for which the accountable authority is responsible.	The Department has implemented a number of governance, assurance and internal control mechanisms to satisfy these requirements including the Secretary's Instructions (otherwise referred to in the PGPA Act as Accountable Authority Instructions), delegations instrument and policies and procedures.	N/A

<sup>2</sup> When used in relation to the use or management of public resources 'proper' means efficient, effective, economical and ethical.



	Ref	Requirement	How addressed	Grant Agreement ref (if relevant)
3.6.	Paragraph 3.6	Before entering into an arrangement for the proposed commitment of relevant money there <u>must</u> be legal authority to support the arrangement.	<p>The Department is relying on Appropriation Bill (No. 5) 2018-19 being enacted by the Parliament so that an amount equivalent to the grant funds can be credited to the Reef Trust Special Account. The Special Account will provide legal authority for the Commonwealth to make the grant.</p> <p>The Department is relying on section 23(1) of the PGPA Act to provide the legal authority for its accountable authority or delegate to execute the Grant Agreement.</p> <p>The Department is relying on section 71 (in lieu of section 23(3)) of the PGPA Act for the Minister to approve the expenditure for the grant.</p>	Clauses 3.1 and 3.2
3.7.	Paragraph 3.9	The PGPA Rule requires that where accountable authorities or officials approve a proposed commitment of relevant money, the approval <u>must</u> be recorded in writing as soon as practicable after the approval is given.	This will be satisfied by the Minister complying with s 71 of the PGPA Act and the Minister's response to the Brief.	N/A
3.8.	Paragraph 3.10	<p>The PGPA Act and Rule, and the CGRGs, include requirements that apply to Ministers.</p> <p>Officials <u>must</u> advise the relevant Minister on these requirements.</p>	<p>The Brief addresses these requirements. For example, it:</p> <ul style="list-style-type: none"> <li>states that it relates to a one-off, ad hoc grant;</li> <li>states the approval is being sought from the Minister under s 71 of the PGPA Act; and</li> <li>specifies the Appropriation Act which will appropriate the grants funds from the CRF.</li> </ul>	N/A
3.9.	Paragraph 3.11	The PGPA Act requires that a Minister <u>must</u> not approve proposed expenditure of relevant money unless satisfied, after reasonable inquiries, that the expenditure would be a 'proper' use of relevant money.	This will be satisfied through the Minister's consideration of and response to the Brief, which will include provision for the Minister to specify the terms of the approval of the proposed expenditure.	N/A

	Ref	Requirement	How addressed	Grant Agreement ref (if relevant)
		The terms of the approval <u>must</u> be recorded in writing as soon as practicable after the approval is given...		
3.10.	Paragraph 4.2	Officials <u>must</u> establish and document whether a proposed activity is a grant prior to applying the CGRGs.	The Department has satisfied this requirement. s42 <b>s42</b>	N/A
3.11.	Paragraph 4.3	Accountable authorities and officials involved in grants administration <u>must</u> comply with government policies and legislation relevant to grants administration. <i>[Note: see e.g. <a href="#">relevant RMGs</a>.]</i>	The Department, advised by AGS, has complied or will comply with government policies and legislation relevant to grants administration by taking the steps set out in this document.	N/A
3.12.	Paragraph 4.4	Officials <u>must</u> : a. develop grant opportunity guidelines for all new grant opportunities, and revised guidelines where significant changes have been made to a grant opportunity; b. have regard to the seven key principles for grants administration; <sup>3</sup> c. ensure that grant opportunity guidelines and related internal guidance are consistent with the CGRGs; and d. advise the relevant Minister on the relevant requirements of the PGPA Act and Rule and the	Paragraph a.: This requirement has been satisfied by the development of the Reef Trust – Great Barrier Reef Foundation Partnership Grant Guidelines. Paragraph b.: The Department is satisfied that it has had regard to the seven key principles for grants administration. The Department has also separately engaged McGrathNicol to assess the evaluation process undertaken by the Department. Paragraph c.: This requirement has been satisfied because the Grant Guidelines are consistent with the CGRGs (see row 3.4 above).	N/A

<sup>3</sup> The seven key principles are set out in paragraph 6.2 and are: (i) robust planning and design; (ii) collaboration and partnership; (iii) proportionality; (iv) an outcomes orientation; (v) achieving value with relevant money; (vi) governance and accountability; and (vii) probity and transparency.



	Ref	Requirement	How addressed	Grant Agreement ref (if relevant)
		CGRGs, where a Minister is considering a proposed expenditure of relevant money for a grant.	Paragraph d.: This requirement is satisfied by the content of the Brief.	
3.13.	RMG 412, paragraph 5	Finance should be consulted about the need for grant guidelines for a significant or one-off ad hoc grant.	Finance is a member of the inter-Departmental Committee (IDC) and was consulted about the Guidelines prior to their finalisation (as was the Department of Prime Minister and Cabinet).	N/A
3.14.	Paragraph 4.5	Where an accountable authority or an official approves the proposed commitment of relevant money in relation to a grant, the accountable authority or official who approves it <u>must</u> record, in writing, the basis for the approval relative to the grant opportunity guidelines and the key principle of achieving value with relevant money.	This requirement is not applicable as the Minister is the person who will decide whether or not to approve the making of the Grant.	N/A
3.15.	Paragraph 4.6	<p>Officials <u>must</u> provide written advice to Ministers, where Ministers exercise the role of an approver.</p> <p>This advice <u>must</u>, at a minimum:</p> <ol style="list-style-type: none"> <li>explicitly state that the spending proposal being considered for approval is a 'grant';</li> <li>provide information on the applicable requirements of the PGPA Act and Rule and the CGRGs (particularly the need to make reasonable inquiries prior to approving a proposed expenditure as a proper use of relevant money and to record the terms of the proposed expenditure as soon as practicable after giving the approval (both required by s 71 of the PGPA Act) and any ministerial reporting obligations), including the legal authority for the grant;</li> </ol>	<p>The Minister is the proposed approver of the Grant.</p> <p>Paragraph a.: This requirement is satisfied as the Brief states that what the Minister is being asked to consider is a "one-off, ad hoc grant from the Reef Trust Special Account".</p> <p>Paragraph b.: This requirement is satisfied by the Brief (including the evaluation of the Foundation's Proposal in Attachment E and this document). The grant terms will be recorded in the Grant Agreement. The Department is relying on Appropriation Bill (No. 5) 2018-19 being enacted by the Parliament so that an amount equivalent to the grant funds can be credited to the Reef Trust Special Account. The Special Account will provide legal authority for the Commonwealth to make the grant.</p> <p>Attachment B to the Brief sets out the mandatory reporting requirements.</p>	N/A



	Ref	Requirement	How addressed	Grant Agreement ref (if relevant)
		<p>c. outline the application and selection process followed, including the selection criteria, that were used to select potential grantees; and</p> <p>d. include the merits of the proposed grant or grants relative to the grant opportunity guidelines and the key principle of achieving value with relevant money.</p> <p>The Brief should also state whether the grant will provide for activities in the Minister's own electorate (RMG 412, paragraph 21).</p>	<p>Paragraph c.: This requirement is satisfied as the Brief notes that the decision to make the proposed one off, ad hoc grant to the Foundation is a decision of the Government. The selection process involved the making of the Grant Guidelines by the Department, the submission of a Proposal by the Foundation to address the Guidelines and the evaluation of the Proposal by the Department against the Guidelines and the CGRGs. Attachment G to the Brief sets out the Department's evaluation of the Project.</p> <p>Paragraph d.: The Brief includes the Department's evaluation of the Foundation's Proposal and a risk assessment. The Brief also includes an AGS due diligence report on the Foundation and advice on legal risks prepared by AGS. The Guidelines specified eligibility criteria against which the Proposal was assessed. The Guidelines did not specify selection criteria because no selection process was carried out. The selection of the Foundation was a Government decision.</p>	
3.16.	Paragraph 4.8	<p>Where a third party administers grants on behalf of the Commonwealth, the relevant accountable authority <u>must</u> ensure the arrangement is in writing and promotes the proper use and management of other CRF money.</p> <p>In addition, the accountable authority <u>must</u> ensure the arrangement requires the third party to apply the CGRGs.</p>	This requirement is not applicable as the Foundation is a grant recipient, and not administering grants on behalf of the Commonwealth within the meaning of the CGRGs.	N/A
3.17.	Paragraph 4.9	An overarching principle of the CGRGs is that accountable authorities and officials work together across government and with non-government stakeholders when undertaking grants administration.	The Department has established in inter-Departmental Committee (IDC) in relation to the proposed Grant, involving the Department of Finance and the Department of Prime Minister and Cabinet (PM&C).	Clause 5 Item 2 of Schedule 1



	Ref	Requirement	How addressed	Grant Agreement ref (if relevant)
		When determining what the acquittal or reporting requirements are, officials <u>must</u> have regard to information collected by Australian Government regulators and available to officials.	Relevant government and non-government stakeholders are involved in the administration of the Grant under the proposed consultation process for development of the Investment Strategy and Annual Work Plans.  The draft acquittal and reporting requirements are Project specific and prior to finalising the grant agreement, regard will be had to information collected by Australian Government regulators and available to officials.	
3.18.	Paragraph 4.10	In addition to the requirements under the PGPA Act, where the proposed expenditure relates to a grant or group of grants, the Minister:  a. <u>must</u> not approve the grant without first receiving written advice from officials on the merits of the proposed grant or group of grants. That advice <u>must</u> meet the requirements of the CGRGs (see paragraph 4.6); and  b. <u>must</u> record, in writing, the basis for the approval relative to the grant opportunity guidelines and the key principle of achieving value with relevant money.	Paragraph a.: This requirement will be satisfied as the Brief includes the written advice from the Department (i) on the merits of the proposed grant and (ii) that satisfies the requirements of the CGRGs, including paragraph 4.6. Refer also to row 3.15.  Paragraph b.: This requirement will be satisfied as the Minister will record the reasons for the approval decision and why it represents value for money, on the basis of the information contained in the Brief.	N/A
3.19.	Paragraph 4.11	Ministers may approve grants within their own electorate.  <i>[Note: paragraph 4.11 goes on to specify certain requirements if this occurs.]</i>	This requirement is not applicable as the Minister is not approving a grant within the Minister's own electorate.	N/A
3.20.	Paragraph 4.12	Ministers may approve grants that are not recommended by the relevant officials.  a. Ministers (including Senators) <u>must</u> report annually to the Finance Minister on all instances where they have decided to approve a particular grant which the	Paragraph a. This requirement is not applicable as the Department has not recommended that the grant be rejected.	N/A

	Ref	Requirement	How addressed	Grant Agreement ref (if relevant)
		<p>relevant official has recommended be rejected. The report <u>must</u> include a brief statement of reasons (i.e. the basis of the approval for each grant). The report <u>must</u> be provided to the Finance Minister by 31 March each year for the preceding calendar year.</p> <p>b. If a decision relates to a Minister's own electorate (House of Representatives members only), the Minister <u>must</u> also include this information when writing to the Finance Minister in the context of the process outlined in paragraph 4.11.</p>	Paragraph b. is not applicable as the grant does not relate to the Minister's own electorate.	
3.21.	Paragraph 5.2	<p>Grant opportunity guidelines <u>must</u> be made publicly available on GrantConnect, except where there is a specific policy reason to not publicise the grant opportunity guidelines or grants are provided on a one-off or ad hoc basis.</p> <p>[Note: see <a href="#">RMG 421</a> for further information relating to GrantConnect. However, <a href="#">RMG 421</a> does not apply to one-off or ad-hoc grants.]</p>	<p>This requirement is not applicable as the grant is being provided on a one-off or ad-hoc basis.</p> <p>The Grant Guidelines were published on the Department's website available at:  <a href="https://www.environment.gov.au/system/files/resources/7d29a273-1e90-4cdf-ae7b-5bb7fb8745dd/files/reef-trust-gbrf-partnership-grant-guidelines.pdf">https://www.environment.gov.au/system/files/resources/7d29a273-1e90-4cdf-ae7b-5bb7fb8745dd/files/reef-trust-gbrf-partnership-grant-guidelines.pdf</a>.</p>	N/A
3.22.	Paragraph 5.3	From 31 December 2017 an entity <u>must</u> report, on GrantConnect, information on individual grants (as defined in paragraph 2.3) no later than twenty-one calendar days after the grant agreement for the grant takes effect.	The Department will satisfy this requirement by reporting on GrantConnect information on the grant no later than 21 calendar days after the grant agreement takes effect.	N/A
3.23.	Paragraph 5.4	Until it complies with paragraph 5.3 an entity <u>must</u> report, on its website, information on individual grants (as defined in paragraph 2.3) no later than twenty-one calendar days after the grant agreement for the grant takes effect.	The Department will satisfy this requirement by ensuring that the grant is reported on the Department's website until this information is made available on GrantConnect.	N/A



	Ref	Requirement	How addressed	Grant Agreement ref (if relevant)
3.24.	Paragraph 5.5	Officials <u>must</u> identify [on its website] whether a grant agreement contains confidentiality provisions.	The Grant Agreement contains confidentiality provisions. The Grant Agreement itself is not confidential. Some specific material to be generated by the Foundation under the Agreement will be treated as confidential information (including for example identified items in the Co-Financing Strategy Plan and the Communication and Stakeholder Engagement Plan). This will be identified on the Department's website in accordance with the CGRGs.	Clause 14
3.25.	Paragraph 5.6	<p>There may be circumstances where officials determine that public reporting of grants in accordance with the CGRGs is contrary to the <i>Privacy Act 1988</i> (Privacy Act), other statutory requirements, or the specific terms of a grant agreement.</p> <p>a. In these circumstances, the relevant officials <u>must</u> publish as much information as legally possible. For example, it may be possible to omit the name of the grantee and other personal information that may contravene the Privacy Act, but report other grant details.</p> <p>b. The reasons for not reporting fully <u>must</u> be documented by officials...</p>	The Department will publicly report the grant, so this is not applicable.	N/A
3.26.	Paragraph 5.7	Where officials assess that publishing grant information in accordance with the CGRGs could adversely affect the achievement of government policy outcomes, the responsible Minister may seek an exemption from the Finance Minister.	This obligation is not applicable as the Department intends to comply with its obligations to publish grant information in accordance with the CGRGs.	N/A

	Ref	Requirement	How addressed	Grant Agreement ref (if relevant)
		The responsible Minister <u>must</u> write to the Finance Minister detailing the rationale for exemption. Officials should consult with Finance before commencing this process.		
3.27.	Paragraph 5.8	Information on individual grants <u>must</u> be retained on an entity's website for at least two financial years.  Where it is not practicable to do so (for example, due to the exceptional volume of grants needing to be maintained on the website) entities <u>must</u> retain appropriate records, consistent with their accountability obligations, and ensure the records are available on request.	The Department will satisfy this requirement by retaining information on the grant on its website for at least two years.	N/A
3.28.	Paragraph 6.3	Accountable authorities and officials <u>must</u> put in place practices and procedures to ensure that grants administration is conducted in a manner that is consistent with these seven key principles. <sup>4</sup>	The Department manages grants programs in accordance with the CGRGs, the PGPA Act, PGPA Rules and any other relevant guidance issue by the Department of Finance.	N/A
3.29.	Paragraph 8.7	Officials <u>must</u> ensure that any suite of documents that form the grant opportunity guidelines are consistent with the CGRGs.	The Department sought advice from AGS and the IDC in developing and settling the Grant Guidelines. The Department is satisfied they are consistent with the requirements of the CGRGs.	N/A
3.30.	Paragraph 9.1	Proportionality in grants administration involves striking an appropriate balance between the complexity, risks, outcomes, and transparency.  Accountable authorities have a duty in relation to requirements imposed on others and when imposing	In terms of that aspect of proportionality which requires the Grant Agreement to appropriately reflect the nature, size, complexity and risks of the Grant, the Grant Agreement has been specifically tailored for this particular Grant and	Clauses 5, 6, 7, 11, 16, 18 and 27 (and others)

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<sup>4</sup> See footnote 3 above for details of the seven key principles.

	Ref	Requirement	How addressed	Grant Agreement ref (if relevant)
		requirements on others <u>must</u> take into account the risks associated with the use or management of public resources and the effect of requirements imposed...	<p>includes provisions specifically intended to deal with risks and issues raised by this particular Grant, including:</p> <ul style="list-style-type: none"> <li>the development process for the Investment Strategy and Annual Work Plans and other plans;</li> <li>the presence of a Commonwealth Observer on the Foundation Board;</li> <li>the taking of a <i>Personal Property Securities Act 2009</i> (Cth) (PPSA) registered security over the Grant Funds;</li> <li>the purposes for which the grant funds may be used are clearly specified and are entirely consistent with the permitted purposes set out in the Reef Trust Special Account Determination<sup>5</sup> and the Reef Trust 2050 Plan;</li> <li>the Department may have other 'lines of sight' into the Foundation through the provision of secondments (particularly in the early stages) and possible membership of a proposed 'Partnership Program Management Committee' of the Foundation, which advises the Board;</li> <li>external stakeholders are given an opportunity to have input into the Foundation's plans. These stakeholders include the Ministerial Forum, Reef 2050 Independent Expert Panel, Reef 2050 Advisory Committee, the Queensland Government's Office of the Great Barrier Reef and the Great Barrier Reef Marine Park Authority;</li> </ul>	

<sup>5</sup> PGPA Act (Reef Trust Special Account 2014) Determination 01 dated 3 September 2014.



	Ref	Requirement	How addressed	Grant Agreement ref (if relevant)
			<ul style="list-style-type: none"> <li>the Foundation will, in consultation with the Department, resolve any circumstances of conflict of interest which may or may appear to impair the Foundation's ability to perform its activities diligently and independently;</li> <li>in recognition that the Foundation will, in large part, be a project manager of the activities, there are significant controls on the process for subcontracting/subfunding and the contents of those subcontracts;</li> <li>requirements for the Foundation to notify any related-party transactions over a threshold of \$10,000 excluding GST;</li> <li>the Grant Agreement will also contain a number of other control measures typical of a grant funding arrangement, including Foundation reporting requirements, record keeping obligations, notification provisions, Work, Health and Safety (WHS) requirements, the obligation to maintain relevant insurances, Commonwealth step-in rights and default and termination provisions; and</li> <li>if the Grant Agreement is terminated for Foundation default or the term expires without the whole of the grant funds having been expended on the activities, the Foundation is required to repay any part of the funds which have not been legally committed for expenditure by the Foundation at that time.</li> </ul> <p>The Department considers that the Grant Agreement has been drafted in a manner designed to result in an appropriate allocation of complexity, risk, outcomes and transparency, having regard to the nature of the Project.</p>	



	Ref	Requirement	How addressed	Grant Agreement ref (if relevant)
3.31.	Paragraph 11.5	Competitive, merit based selection processes should be used to allocate grants, unless specifically agreed otherwise by a Minister, accountable authority or delegate. Where a method other than a competitive merit-based selection process is planned to be used, officials should document why this approach will be used.	It is a Government decision to make the grant to the Foundation. The reasons why a competitive, merit-based selection process were not used is a matter for the Government. Provision has been included in the Brief for the Minister to specify why this approach was taken.	N/A
3.32.	Paragraph 12.3	Officials should clearly define the roles and responsibilities of all parties involved in grants administration. Officials are encouraged to develop a robust governance framework, which clearly defines the roles and responsibilities of the various parties, as this will facilitate accountability.  Any grants governance framework <i>must</i> be underpinned by the mandatory requirements in Part 1 of the CGRGs, such as the need for accountable authorities and officials to ensure that grants administration, including decision-making is consistent with the requirements of the PGPA Act and Rule and that Ministers are advised of their requirements under the CGRGs...	The Department has established a grants governance administration framework that clearly defines the roles and responsibilities of the parties involved. This framework is underpinned by the requirements set out in Part 1 of the CGRGs, and was used in the development of the Project and the Brief.	N/A
3.33.	Paragraph 12.4	Officials should develop policies, procedures and documentation necessary for the effective and efficient governance and accountability of grants administration. This should include the development of grant opportunity guidelines and associated operational guidance for administering grant activities on an ongoing basis. It is particularly important that such guidance clearly sets out who are the decision-makers for different grants administration processes.	The Department has developed policies, procedures and documentation necessary for the effective and efficient governance and accountability of grants administration. The Department has taken steps to ensure that the development of such guidance is consistent with the CGRGs, including: <ul style="list-style-type: none"> <li>seeking advice from AGS on the Grant Guidelines and drafting of the Grant Agreement, s42</li> </ul>	N/A

	Ref	Requirement	How addressed	Grant Agreement ref (if relevant)
		<p>Officials <u>must</u> ensure the development of such guidance is consistent with the CGRGs.</p> <p><i>[Note: paragraph 5 of <a href="#">RMG 412</a> states that Finance should be consulted about the need for grant guidelines for a significant one-off or ad hoc grant, or when officials are considering approving a number of one-off or ad hoc grants for similar purposes, whether in the same round or over a period of time.]</i></p>	<ul style="list-style-type: none"> <li>▪ seeking input and feedback from central agencies including Finance on the Grant Guidelines; and</li> <li>▪ conducting regular inter-departmental meetings (involving Finance, PM&amp;C and Treasury) during development of the guidelines and planning for execution of the agreement.</li> </ul>	
3.34.	Paragraph 13.4	<p>Accountable authorities <u>must</u> take all reasonable measures to prevent, detect and deal with fraud relating to the entity in accordance with Public Governance, Performance and Accountability Rule 2014, including controls as it relates to grants administration. The Rule places obligations on accountable authorities in relation to: fraud risk assessments; control plans; awareness and training; and case handling and reporting.</p> <ul style="list-style-type: none"> <li>• Under section 10 of the PGPA Act, an entity's accountable authority <u>must</u> implement controls for preventing, detecting and dealing with fraud.</li> <li>• Under section 45 of the PGPA Act, accountable authorities <u>must</u> establish and maintain an audit committee.</li> </ul>	<p>The Department is applying its usual fraud prevention procedures and practices to administration of the Project. The Department is satisfied that its procedures and practices comply with the Commonwealth Fraud Control Framework, which includes:</p> <ul style="list-style-type: none"> <li>• Section 10 of the <i>Public Governance, Performance and Accountability Rule 2014</i></li> <li>• The Commonwealth Fraud Control Policy, and</li> <li>• Resource Management Guide No. 201 – Preventing, detecting and dealing with fraud.</li> </ul> <p>The Department has in place a Fraud Control and Anti-Corruption Plan, current Divisional fraud risk registers, and a program for raising awareness of fraud and corruption in the Department.</p> <p>An Audit Committee oversees the Department's fraud control and anti-corruption risks and controls.</p>	Clauses 5 and 6

	Ref	Requirement	How addressed	Grant Agreement ref (if relevant)
<b>4. RMG 412 Checklist for Briefing Ministers</b>				
4.1.		Is the approver identified?	Yes, the Minister is identified as the approver.	N/A
4.2.		Recommendations for proposed grant has been outlined?	Yes, the Department's recommendation is included.	N/A
4.3.		Is there an explicit statement identifying that the spending proposal is a 'grant'?	Yes, the proposal is described as a 'one-off, ad hoc grant'.	N/A
4.4.		Has the legal basis for the grant been identified?	Yes, the Brief refers to Appropriation Bill (No. 5) 2018-19 being enacted by the Parliament so that an amount equivalent to the grant funds can be credited to the Reef Trust Special Account. The Special Account will provide legal authority for the Commonwealth to make the grant	N/A
4.5.		Has information been included to meet the applicable requirements of the PGPA Act and Rules, CGRGs paragraph 4.11 which requires Ministers to record the basis for the approval of the grant when approving it?	Yes, the Brief refers to s 71 of the PGPA Act. It includes an area for the Minister to record the reasons for approving the grant as a proper use of relevant money and why an open-competitive process was not used.	N/A
4.6.		Is there information that advises the Minister on approving the grant in their own electorate and on grants that the Department has recommend as rejected?	No. The grant is not being made in the Minister's own electorate. There are no recommendations of rejection.	N/A
4.7.		Has the selection (eligibility and assessment) criteria and the relative weights been included?	The eligibility criteria are included in the Guidelines. There are no selection criteria. The decision to select the Foundation is a Government decision.	N/A
4.8.		Has the type of application and selection process been identified?	Yes, the grant is identified as a one-off, ad hoc grant.	N/A



	Ref	Requirement	How addressed	Grant Agreement ref (if relevant)
4.9.		Is there information on the merits of the grant application?	Yes, the Brief includes the Department's evaluation of the Foundation's Proposal and a risk assessment. The Brief also includes an AGS due diligence report on the Foundation and advice on legal risks prepared by AGS.	N/A
4.10.		<p>Has information outlining how the proposed grant represents value with relevant money been included?</p> <p>Does it address these items:</p> <ul style="list-style-type: none"> <li>• how the proposed grant will achieve Australian government policy objectives</li> <li>• the Department's grants management risk approach to all phases of grants administration</li> <li>• consultation undertaken with non-government sector, in particular, when planning and designing the granting activity</li> <li>• co-funding arrangements</li> <li>• length of term of grant agreement</li> <li>• recipient capability to deliver on outcomes sought?</li> </ul>	Yes, the Brief includes an evaluation of the Foundation's proposal and a value with relevant money assessment.	N/A
<b>5. Has the Foundation's Proposal met the requirements of the Grant Guidelines</b>				
5.1.	Section 1.2	<p>In line with the Reef 2050 Plan, the expected outcomes of the Partnership are:</p> <ul style="list-style-type: none"> <li>• improved management of the Great Barrier Reef World Heritage Area and relevant activities in the adjacent catchments;</li> </ul>	<p>Yes.</p> <p>Refer Section 2 of the Proposal.</p>	N/A



	Ref	Requirement	How addressed	Grant Agreement ref (if relevant)
		<ul style="list-style-type: none"> <li>protection of attributes that contribute to the Outstanding Universal Value of the World Heritage Area, including species, habitats and Indigenous values; and</li> <li>management of key threats to the Great Barrier Reef World Heritage Area, including poor water quality and crown-of-thorns starfish outbreaks.</li> </ul>		
5.2.	Section 1.2	<p>The Partnership will deliver the outcomes in respect of the following five components:</p> <ol style="list-style-type: none"> <li>1. Water Quality</li> <li>2. Crown-of-thorns Starfish Control</li> <li>3. Reef Restoration and Adaptation Science</li> <li>4. Indigenous and Community Reef Protection Actions</li> <li>5. Reef Integrated Monitoring and Reporting.</li> </ol>	<p>Yes.</p> <p>Refer Section 2 and Appendix 1 of the Proposal.</p>	N/A
5.3.	Section 1.2	An agreed proportion of the Partnership funds can be spent on administrative costs, this will include a direct payment of \$22.5 million, supplemented by the interest earned on the funding.	<p>Yes.</p> <p>Refer Section 2 of the Proposal.</p>	N/A
5.4.	Section 1.2	Implementation of the Partnership must be consistent with the Reef 2050 Plan Investment Framework.	<p>Yes.</p> <p>Refer Sections 2 and 5.3 (Table 1.3) of the Proposal.</p>	N/A
5.5.	Section 1.2	Actions delivered with the grant under this Partnership must also align with the Reef Trust objective, outcomes and investment principles.	<p>Yes.</p> <p>Refer Section 5.3 (Table 1.4) and Section 5.4 (Table 1.5) of the Proposal.</p>	N/A

	Ref	Requirement	How addressed	Grant Agreement ref (if relevant)
5.6.	Section 1.2	Actions delivered with the grant under this Partnership must meet the purposes of the Reef Trust Special Account.	Yes. Refer Section 5.3 (Table 1.4) of the Proposal.	N/A
5.7.	Section 2	The Foundation may use delivery agents, including subcontractors and funding recipients, to deliver specific projects required to achieve the Partnership outcomes subject to the conditions specified in the grant funding agreement.	Yes. Refer Section 6.2 of the Proposal.	N/A
5.8.	Section 3	To be eligible to receive the grant under this Partnership the Foundation must: <ul style="list-style-type: none"> <li>• be a legal entity, able to enter into a legally binding agreement</li> <li>• have an Australian Business Number</li> <li>• be registered for the purposes of GST and</li> <li>• have an Australian bank account.</li> </ul>	Yes. Refer Section 4 of the Proposal.	N/A
5.9.	Section 3.1	The grant must be used to deliver activities that directly contribute to protecting the Great Barrier Reef World Heritage Area through significantly contributing to delivery of the Reef 2050 Plan and in accordance with the Reef Trust Objective and Outcomes.	Yes. Refer Section 5 (including Tables 1.1, 1.2, 1.3, 1.4, and 1.5) of the Proposal.	N/A
5.10.	Section 3.1	An agreed, capped portion of the grant funding may be used for administrative costs to meet grant delivery overheads.	Yes. Refer Section 2 of the Proposal.	N/A
5.11.	Section 3.1	The following activities are outside the scope of the Partnership:	Yes.	N/A

	Ref	Requirement	How addressed	Grant Agreement ref (if relevant)
		<ul style="list-style-type: none"> <li>• funding of actions to specifically enable agricultural businesses to comply with their obligations under the Queensland Environment Protection Act 1994 Reef Protection Regulations;</li> <li>• projects that do not align with the Reef 2050 Plan and Reef Trust Special Account purposes;</li> <li>• on-ground remediation projects outside the Reef catchment or outside the Great Barrier Reef World Heritage Area; and</li> <li>• actions and costs relating to the period before the signing of any Grant Agreement for the Partnership.</li> </ul>	Refer Section 4.2 of the Proposal.	
5.12.	Section 4	<p>The Proposal should:</p> <ul style="list-style-type: none"> <li>• demonstrate how the Foundation's performance of the Partnership will contribute to the Partnership Outcomes and delivery against the Reef 2050 Plan;</li> <li>• align with the purposes of the Reef Trust Special Account Determination;</li> <li>• align with the Reef Trust principles of investment;</li> <li>• build on existing efforts and not duplicate or replace activities already being undertaken in the Great Barrier Reef World Heritage Area or Reef catchments; and</li> </ul>	<p>Yes.</p> <p>Refer Section 5 (including Tables 1.1, 1.2, 1.3, 1.4, and 1.5) of the Proposal.</p>	N/A



	Ref	Requirement	How addressed	Grant Agreement ref (if relevant)
		<ul style="list-style-type: none"> <li>demonstrate how the Foundation plans to attract private and philanthropic co-investment to enhance delivery of the Partnership;</li> </ul>		
5.13.	Section 4	<p>The Proposal should demonstrate the Foundation's capability and capacity to effectively deliver the Partnership by including in the Proposal:</p> <ul style="list-style-type: none"> <li>the Foundation's understanding of the linkages between the Partnership Outcomes and the Reef 2050 Plan, including its advisory bodies;</li> <li>evidence of the Foundation's ability to promptly build delivery capacity to effectively and efficiently deliver the Partnership outcomes;</li> <li>evidence of the Foundation's ability to provide timely, high quality project reporting information and data to meet a range of stakeholder requirements;</li> <li>evidence of the Foundation's ability to raise funds from the private sector; and</li> <li>evidence of the Foundation's relevant expertise and experience in delivering activities similar to the Partnership components.</li> </ul>	<p>Yes.</p> <p>Refer Section 6 of the Proposal.</p>	N/A
5.14.	Section 4	<p>The Foundation will be required to provide as part of the Proposal:</p> <ul style="list-style-type: none"> <li>audited financial statements for the two most recent consecutive financial years (i.e. 2015-16 and 2016-17), including balance sheets, profit and</li> </ul>	<p>Yes.</p> <p>Refer Sections 2, 6 and 7 (including Appendix 5, Appendix 6, Appendix 7, Appendix 8, and Appendix 9) of the Proposal.</p>	N/A

	Ref	Requirement	How addressed	Grant Agreement ref (if relevant)
		<p>loss statements, cash flow statements and notes to the accounts;</p> <ul style="list-style-type: none"> <li>evidence of successful contract fulfilment for other funding bodies including the Foundation's ability to meet project delivery timeframes and budgets;</li> <li>evidence of capacity to comply with relevant laws, such as work health and safety, and workplace gender equality requirements;</li> <li>details of relevant organisational and personnel experience and capacity, including in the development and management of projects and the leveraging of co-investment for projects that benefit the Great Barrier Reef;</li> <li>evidence of a willingness to enter into a suitable Grant Agreement and project governance arrangements;</li> <li>a privacy declaration as required by Section 10 of these guidelines;</li> <li>a conflict of interest declaration as required by Section 11 of these guidelines; and</li> <li>any other information requested by the Department during the development of the Proposal.</li> </ul>		
5.15.	Section 10.1	The Foundation is required, as part of its proposal, to declare its ability to comply with the Privacy Act 1988, including the Australian Privacy Principles and impose the	<p>Yes.</p> <p>Refer Section 7.6 of the Proposal.</p>	N/A

	Ref	Requirement	How addressed	Grant Agreement ref (if relevant)
		same privacy obligations on any subcontractors engaged to assist with the activity.		
5.16.	Section 10.2	The Foundation must identify any information contained within the Proposal, which it considers should be treated as confidential and provide reasons for the request.	Yes. Refer Section 7.6 of the Proposal.	N/A
5.17.	Section 11	The Foundation will be asked to declare, as part of its Proposal, any perceived or existing conflicts of interests for it or its personnel or that, to the best of its knowledge, there is no conflict of interest. The Foundation will also be required to explain how it proposes to manage any declared conflicts.	Yes. Refer Section 7.7 of the Proposal.	N/A





**Australian Government**

**Department of the Environment and Energy**

## Reef Trust – Great Barrier Reef Foundation Partnership Grant Guidelines

Commonwealth policy  
entity:

Department of the Environment and Energy (**Department**)

Foundation:

Great Barrier Reef Foundation (**Foundation**)

Enquiries:

If you have any questions, please e-mail:  
[reef2050@environment.gov.au](mailto:reef2050@environment.gov.au)

Type of Grant Opportunity:

One off ad-hoc process

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# 1. Grant opportunity overview and objectives

## 1.1 Purpose and overview

The Australian Government established the Reef Trust [Special Account](#) (**Reef Trust**) to provide innovative, targeted investment focused on improving water quality, restoring coastal ecosystem health and enhancing species protection in the Great Barrier Reef World Heritage Area.

The Reef Trust is one of the key mechanisms assisting in the delivery of the Reef 2050 Plan, focusing on known critical areas for investment – improving water quality and coastal habitat along the Great Barrier Reef, controlling the current outbreak of crown-of-thorns starfish and protecting threatened and migratory species, particularly dugong and turtles. The Reef Trust has a strong focus on evaluation and adaptive management, to ensure it effectively contributes to the long-term sustainable management of the Great Barrier Reef.

The Great Barrier Reef Foundation (**Foundation**) is the leading charity dedicated to protecting the Great Barrier Reef through funding of solutions grounded in science, technology, engineering and on-ground action for Reef conservation. The Foundation was established in 2000 in response to the United Nations World Heritage Convention encouraging countries with World Heritage sites to establish a national foundation whose purpose is to invite donations for their protection.

The Reef Trust – Great Barrier Reef Foundation Partnership (**Partnership**) is a collaboration between the Department of the Environment and Energy (**Department**), which manages the Reef Trust, and the Foundation. It has been established to implement key Actions and achieve key Outcomes of the joint Australian and Queensland Government Reef 2050 Long-Term Sustainability Plan ([Reef 2050 Plan](#)) in line with the priorities identified in the Reef 2050 Investment Framework and underpinned by innovation and science.

Through the Partnership, the Foundation will deliver the five Partnership components – water quality improvement, crown-of-thorns starfish control, reef restoration and adaptation science, Indigenous and community engagement, and integrated monitoring and reporting. The Foundation may use sub-contractors to deliver Partnership outcomes in line with the requirements to be set out in the Grant Agreement.

Initial grant funding from the Reef Trust of approximately \$443 million (GST exclusive) is available for the Partnership for the period 2017-18 to 2023-24. The total funding would be paid from the Reef Trust to the Foundation in 2017-18. The availability of the grant is dependent on establishing appropriate grant arrangements before 30 June 2018 and the Foundation agreeing a Grant Agreement with the Commonwealth.

The grant will contribute to the achievement of the Department's Program 1.1 outcome – Sustainable Management of Natural Resources and the Environment.



## 1.2 Partnership Outcomes

In line with the Reef 2050 Plan, the expected outcomes of the Partnership are:

- Improved management of the Great Barrier Reef World Heritage Area and relevant activities in the adjacent catchments.
- Protection of attributes that contribute to the Outstanding Universal Value of the World Heritage Area, including species, habitats and Indigenous values.
- Management of key threats to the Great Barrier Reef World Heritage Area, including poor water quality and crown-of-thorns starfish outbreaks.

The Partnership will deliver the outcomes in respect of the following five components. The funding allocation for each component is indicative only and could transfer between components, subject to delegate approval of the Foundation's proposal and the Foundation meeting any conditions under the Grant Agreement, including in relation to its proposed Investment Strategy and Annual Activity Plans.

### 1. Water Quality

Addressing the [Reef 2050 Water Quality Improvement Plan](#) (2017 draft) water quality improvement targets as informed and prioritised by the 2017 [Scientific Consensus Statement](#) – Land use impacts on Great Barrier Reef water quality and ecosystem condition. The indicative funding allocation for this component is \$201 million.

### 2. Crown-of-thorns Starfish Control

Expanding efforts to control crown-of-thorn starfish (**COTS**) to protect high ecological and economic value coral reefs in line with the Great Barrier Reef Marine Park Authority's [COTS Control Strategy](#). The indicative funding allocation for this component is \$58 million.

### 3. Reef Restoration and Adaptation Science

Conduct and implementation of science for the Reef Restoration and Adaptation Program, building on the design work currently being undertaken by the CSIRO, AIMS, James Cook University, University of Queensland, Queensland University of Technology and the Great Barrier Reef Foundation under the Australian Government's initial \$6 million investment. The indicative Reef Trust funding allocation for this component is \$100 million.

### 4. Indigenous and Community Reef Protection Actions

Engagement of Traditional Owners and the broader community in Reef protection actions. The indicative Reef Trust funding allocation for this component is \$22 million.

### 5. Reef Integrated Monitoring and Reporting

Implementation of the Reef 2050 Plan Reef Integrated Monitoring and Reporting Program ([RIMREP](#)), including eReefs and the Paddock to Reef Integrated Monitoring, Modelling and Reporting Program. This will improve Reef health monitoring and reporting and

ensure reporting is scientifically robust and investment outcomes are measurable. The indicative Reef Trust funding allocation for this component is \$40 million.

An agreed proportion of the Partnership funds can be spent on administrative costs, this will include a direct payment of \$22.5 million, supplemented by the interest earned on the funding, in line with the PGPA Act investment requirements as specified in the Grant Agreement.

Implementation of the Partnership must be consistent with the Reef 2050 Plan Investment [Framework](#) that established current investments in Reef protection, determines investment priorities for the future and sets out a strategy for boosting investment and diversifying sources.

Actions delivered with the grant under this Partnership must also align with the [Reef Trust](#) objective, outcomes and [investment principles](#) and meet the purposes of the [Reef Trust Special Account](#). The Grant Agreement will contain detailed provisions for preparation and agreement of a strategy and actions to achieve the Partnership objectives and outcomes.

The grant will be undertaken in accordance with the *Commonwealth Grants Rules and Guidelines* (CGRGs) <https://www.finance.gov.au/sites/default/files/commonwealth-grants-rules-and-guidelines.pdf>

## 2. Grant delivery process

This grant opportunity is a one-off or ad hoc grant to the Foundation. The Department considers that this is an appropriate type of delivery process as it will bring together multi-sector Reef protection collaboration into a single partnership to leverage and coordinate multiple funding sources. Additionally, considering the nature of the granting activity the Foundation is particularly well-placed to build on its previous Reef protection activities and to leverage additional private and philanthropic investment to deliver the Partnership outcomes. The Foundation has been identified as the appropriate delivery partner because it:

- is a not-for-profit organisation established in 2000 to raise funds to protect and preserve the Great Barrier Reef
- has a strong track record of fundraising
- works effectively with the diverse range of Reef stakeholders to deliver actions to support the Reef 2050 Plan
- has a well-established track record of efficiently developing and managing projects for a range of funding bodies to deliver outcomes for the Great Barrier Reef
- has sound corporate governance, with its board having a number of current and former CEOs, Chairs and executive officers of some of Australia's largest companies
- is familiar with government requirements and expectations, and has a solid track record in managing funding from Commonwealth and state government sources

The Foundation may use delivery agents, including subcontractors and funding recipients, to deliver specific projects required to achieve the Partnership outcomes subject to the conditions specified in the grant funding agreement.

## 3. Eligibility

If the Foundation does not satisfy the eligibility criteria, it will not be considered.

To be eligible to receive the grant under this Partnership the Foundation must:

- be a legal entity, able to enter into a legally binding agreement
- have an Australian Business Number
- be registered for the purposes of GST and
- have an Australian bank account

### 3.1 Eligible and ineligible grant activities

The grant must be used to deliver activities that directly contribute to protecting the Great Barrier Reef World Heritage Area through significantly contributing to delivery of the Reef 2050 Plan and in accordance with the Reef Trust Objective and Outcomes:

*To provide cost effective, strategic investment which goes above and beyond existing programs to address key threats to the Great Barrier Reef and catchments for the long-term protection and conservation of the outstanding universal value of the Great Barrier Reef.*

- Outcome 1: projects to improve water quality and the coastal habitat in the Great Barrier Reef World Heritage Area
- Outcome 2: projects to address threats to the environment of the Great Barrier Reef World Heritage Area
- Outcome 3: projects to protect, repair or mitigate damage to the Great Barrier Reef World Heritage Area

As noted above, an agreed, capped portion of the grant funding may be used for administrative costs to meet grant delivery overheads. It is expected that administration costs will vary across the life of the Partnership.

The following activities are outside the scope of the Partnership:

- Funding of actions to specifically enable agricultural businesses to comply with their obligations under the *Queensland Environment Protection Act 1994* [Reef Protection Regulations](#).
- Projects that do not align with the Reef 2050 Plan and Reef Trust Special Account purposes



- On-ground remediation projects outside the Reef catchment or outside the Great Barrier Reef World Heritage Area
- Actions and costs relating to the period before the signing of any Grant Agreement for the Partnership
- other activities as specified in the Grant Agreement

## 4. Proposal

The Foundation will work collaboratively with the Department in developing its Proposal. The Proposal will inform the Department's recommendations to the Minister, and to the extent approved, the development of the Grant Agreement.

The Proposal should:

- demonstrate how the Foundation's performance of the Partnership will contribute to the Partnership Outcomes and delivery against the Reef 2050 Plan
- align with the purposes of the [Reef Trust Special Account Determination](#)
- align with the Reef Trust principles of investment
- build on existing efforts and not duplicate or replace activities already being undertaken in the Great Barrier Reef World Heritage Area or Reef catchments
- demonstrate how the Foundation plans to attract private and philanthropic co-investment to enhance delivery of the Partnership

Additionally, the Proposal should demonstrate the Foundation's capability and capacity to effectively deliver the Partnership by including in the Proposal:

- the Foundation's understanding of the linkages between the Partnership Outcomes and the Reef 2050 Plan, including its advisory bodies
- evidence of the Foundation's ability to promptly build delivery capacity to effectively and efficiently deliver the Partnership outcomes
- evidence of the Foundation's ability to provide timely, high quality project reporting information and data to meet a range of stakeholder requirements
- evidence of the Foundation's ability to raise funds from the private sector
- evidence of the Foundation's relevant expertise and experience in delivering activities similar to the Partnership components

The Foundation will be required to provide as part of the Proposal:

- audited financial statements for the two most recent consecutive financial years (i.e. 2015-16 and 2016-17), including balance sheets, profit and loss statements, cash flow statements and notes to the accounts
- evidence of successful contract fulfilment for other funding bodies including the Foundation's ability to meet project delivery timeframes and budgets
- evidence of capacity to comply with relevant laws, such as work health and safety, and workplace gender equality requirements
- details of relevant organisational and personnel experience and capacity, including in the development and management of projects and the leveraging of co-investment for projects that benefit the Great Barrier Reef
- evidence of a willingness to enter into a suitable Grant Agreement and project governance arrangements
- a privacy declaration as required by Section 10 of these guidelines
- a conflict of interest declaration as required by Section 11 of these guidelines
- any other information requested by the Department during the development of the Proposal

The Department may seek information from any other source, including from within the Commonwealth.

## 5. Approval of the grant

In accordance with the Commonwealth Grant Rules and Guidelines, the Department will make recommendations to the Minister for the Environment and Energy (**Minister**) that address:

- the extent to which the Proposal achieves value with relevant money and the 'proper use' of Commonwealth resources, as defined in section 8 of the [PGPA](#) Act
- that the Proposal can be delivered on time and to budget (as identified in supporting documents)
- that the level of risk associated with the Proposal and its implementation is manageable and/or acceptable and it is acknowledged that risk may stem from a number of sources, such as the scale and/or complexity of the Proposal

In developing the recommendations for the Minister, the Reef Trust Project Board, consisting of Senior Executive Service officers from the Department, will review the Proposal against these Guidelines.

The Minister will make the final decision on whether to approve the grant.

The Minister's decision is final in all matters, including:

- the approval of the grant, including the conditions on which it is given
- the grant funding amount to be awarded

The Minister must not approve funding unless he considers the Proposal to be a proper (efficient, effective, economical and ethical) use of relevant money.

There is no appeal mechanism following a decision to approve or not approve some or all of the grant.

## 6. The Grant Agreement

If the Minister approves the Proposal for grant funding, in whole or part, the Foundation will be required to enter into a legally binding Grant Agreement with the Commonwealth represented by the Department on or before 29 June 2018. If this timetable is not achieved, the grant offer may be withdrawn. No grant payment will be made until and unless that Grant Agreement is signed and the Foundation should not commit any funds for the Partnership until that has occurred.

The Department will develop a tailored Grant Agreement for the delivery of this grant. The Grant Agreement will include, but not be limited to, details of the governance framework, the Partnership delivery framework and activities, and progress and financial reporting, and audit and acquittal requirements. The Grant Agreement will also include appropriate safeguards against fraud, unlawful activities and other inappropriate conduct, consistent with the CGRGs.

Any additional Ministerial conditions attached to the grant will also be identified in the Grant Agreement.

## 7. Publication of grant

Any grant awarded in relation to the Partnership will be listed on the GrantConnect website within 21 days after the Grant Agreement takes effect as required by Section 5.3 of the CGRGs.

## 8. Grant monitoring, reporting and acquittal

The grantee must submit reports containing the information, and by the dates, specified in the Grant Agreement. Reporting requirements will include, but are not limited to:

- six monthly progress and annual milestone progress reports for each Partnership component using the Department's MERIT system
- annual end of financial year, independent and audited financial statements for the Partnership funds and co-funding
- annual review of Partnership component MERI plans and revision as required



The grantee will also be responsible for:

- meeting the terms and conditions of the Grant Agreement and managing the grant and the Partnership activities efficiently and effectively
- promptly notify the Department of any changes in the Foundation's governance, financial or advisory body arrangements
- complying with record keeping, reporting and acquittal requirements as set out in the Grant Agreement
- reporting of outcomes through existing processes and in the required formats where appropriate (e.g. the Paddock to Reef Integrated Monitoring, Modelling and Reporting Program and RIMREP)
- participating in all Partnership evaluation activities as specified in the Grant Agreement
- managing Partnership data in line with best practice systems and making data generated through project investments publicly available, as per standard Commonwealth policies and guidelines

## 9. Grant evaluation

The Department will evaluate the grantee's performance of the Partnership to measure how well the outcomes and objectives have been achieved. The Grant Agreement will require the Foundation to participate in the Department's evaluation and provide all information that the Department reasonably requires to inform this evaluation.

Partnership evaluation requirements will be set out in the Grant Agreement and will include, but not be limited to:

- development of Partnership overarching performance indicators and performance indicators for each component
- evaluation of the Partnership and its components at the times specified in the Grant Agreement

## 10. Confidentiality and privacy

### 10.1 Privacy

All personal information included as part of the Foundation's proposal will be treated according to the 13 Australian Privacy Principles and the *Privacy Act 1988*. This includes letting the Foundation know:

- what personal information the Department collects
- why the Department collects personal information

- who the Department gives personal information to

The Foundation is required, as part of its proposal, to declare its ability to comply with the [Privacy Act 1988](#), including the Australian Privacy Principles and impose the same privacy obligations on any subcontractors engaged to assist with the activity.

All personal information included in the proposal is collected by the Department for the assessment and administration of the Partnership. The personal information provided may be used by the Department or given to other parties where the Foundation has agreed or it is required or authorised by law.

Information (including personal information) collected by the Department may also be used in research regarding the effectiveness of and any evaluation of the Partnership. This research or evaluation may be published. The Australian National Audit Office may also request access to all relevant activity files.

More information about the way in which the Department will manage personal information, including the Department's privacy policy, can be obtained by requesting a copy from the Department or at [www.environment.gov.au/privacy-policy](http://www.environment.gov.au/privacy-policy).

## 10.2 Disclosure of information

The Australian Government may also use and disclose information contained in the Proposal in any other Australian Government business or function. This includes publishing information about the grant on GrantConnect as specified in Section 7 above and giving information to the Australian Taxation Office for compliance purposes.

The Department may share the information the Foundation gives it with other Commonwealth agencies for any purposes including government administration, research or service delivery and according to Australian laws.

The Foundation must identify any information contained within the Proposal, which it considers should be treated as confidential and provide reasons for the request. The Department will only consider such a request for confidentiality where:

- the information to be protected is identified in specific rather than global terms
- the information is by its nature confidential
- disclosure would cause detriment to the parties concerned

The Department may reveal confidential information in the Proposal to:

- employees and contractors of the Commonwealth to help the Department manage the Partnership effectively
- employees and contractors of other Commonwealth agencies for any purposes, including government administration, research or service delivery
- other Commonwealth, State, Territory or local government agencies in Partnership reports and consultations

- the Auditor-General, Ombudsman or Privacy Commissioner
- the responsible Minister or Parliamentary Secretary
- a House or a Committee of the Australian Parliament

The Foundation must ask for the Australian Government's consent in writing before disclosing any Commonwealth confidential information.

Any Grant Agreement signed by the parties may include specific requirements about any confidential information or other special categories of information collected, created or held under the Grant Agreement.

## 11. Conflicts of interest

Any conflicts of interest could affect the performance of the Partnership. A conflict of interest, or perceived conflict of interest, arises where a person makes a decision or exercises a power in a way that may be, or be perceived to be, influenced by either a material (financial or non-financial) personal interest or relationship. For example, a conflict of interest may arise where:

- Commonwealth personnel or advisors have a personal relationship with a party which may influence the grant recommendation and approval process; or
- personnel of a successful grant recipient has a personal interest in, or relationship with an organisation which is likely to interfere with or restrict the grant recipient from carrying out the grant funded activities fairly and independently.

The Foundation will be asked to declare, as part of its Proposal, any perceived or existing conflicts of interests for it or its personnel or that, to the best of its knowledge, there is no conflict of interest. The Foundation will also be required to explain how it proposes to manage any declared conflicts.

Conflicts of interest for Australian Government staff will be handled as set out in the Australian Public Service Code of Conduct (section 13(7) of the *Public Service Act 1999*).

## 12. Liability

By participating in this grant process, the Foundation agrees that it has no entitlement to, or expectation of receiving, any grant funds in relation to the Partnership until and unless it has successfully negotiated and executed, and complied with any payment preconditions in, a Grant Agreement with the Department.

The Department and its officers are not responsible for the accuracy or completeness of any information in the Guidelines, or provided to the Foundation in relation to the Partnership or these Guidelines, and disclaim any and all liability, in negligence or otherwise, arising from any information provided, or not provided, to the Foundation including, without limitation, any errors or omissions in that information. The Commonwealth accepts no liability for any loss or



damage suffered by the Foundation or any other person relying on information provided by the Department in relation to the Partnership or these Guidelines.



## REEF TRUST – GREAT BARRIER REEF FOUNDATION PARTNERSHIP PROPOSAL

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### 1. PARTNERSHIP PURPOSE AND OVERVIEW [GG-1.1]

This proposal is for a Partnership between the Australian Government and the Great Barrier Reef Foundation (**Foundation**). Its purpose is to provide targeted investment to drive progress towards Reef 2050 Plan outcomes in line with priorities identified in the Reef 2050 Investment Framework and underpinned by innovation, science and community engagement.

The Partnership would include an initial grant of \$443.3 million from the Reef Trust paid in 2017-2018 for delivery of outcomes for the period to 2023-24. Further payments from the Reef Trust may also be made over the life of the Partnership.

This investment represents a commitment to the long-term health of the Great Barrier Reef (**GBR or Reef**), targeting high-risk threats and known critical areas for improvement. It will make significant contributions to improvements in water quality and reductions in coral mortality caused by crown-of-thorns starfish (**COTS**) outbreaks. It goes above and beyond existing programs, driving innovation and exploring and advancing new technologies and approaches for Reef restoration. Underpinning this will be new and better ways for Traditional Owners and the broader community to engage in reef protection, and more effective integration and delivery of monitoring, modelling and reporting systems to reliably measure reef health outcomes and success.

The Partnership will involve close collaboration with government agencies including the Department of the Environment and Energy (**Department**), Great Barrier Reef Marine Park Authority (**Authority**) and Queensland Office of the Great Barrier Reef (**OGBR**); as well as existing delivery partners and key advisory bodies including the Reef 2050 Advisory Committee, Reef 2050 Independent Expert Panel, Reef 2050 Integrated Modelling and Monitoring Steering Group and the Reef 2050 WQIP Independent Science Panel.

In line with the [Foundation's core values](#), and the requirements of the Partnership, the Foundation will ensure that value for money is achieved; that the highest ethical standards are applied; and that decisions are based on the best available science and made through an open, transparent and rigorous process. Partnership design and delivery will have a strong focus on monitoring, evaluation and improvement, to ensure investments are responsive to changing circumstances and deliver maximum impact and value.

This proposal has been developed in line with the *Reef Trust – Great Barrier Reef Foundation Partnership Grant Guidelines*.

## 2. PARTNERSHIP OUTCOMES [GG-1.2]

In line with the Reef 2050 Plan, the expected outcomes of the Partnership are:

- Improved management of the Great Barrier Reef World Heritage Area and relevant activities in the adjacent catchments.
- Protection of attributes that contribute to the Outstanding Universal Value of the World Heritage Area, including species, habitats and Indigenous values.
- Management of key threats to the Great Barrier Reef World Heritage Area, including poor water quality and crown-of-thorns starfish outbreaks.

The Partnership will deliver the outcomes in respect of the following five components. The funding allocation for each component is indicative only and could transfer between components, subject to delegate approval of the Foundation's proposal and the Foundation meeting any conditions under the Grant Agreement, including in relation to its proposed Investment Strategy and Annual Activity Plans.

### 1. Water Quality

Addressing the [Reef 2050 Water Quality Improvement Plan](#) (2017 draft) water quality improvement targets as informed and prioritised by the 2017 [Scientific Consensus Statement](#) – Land use impacts on Great Barrier Reef water quality and ecosystem condition. The indicative funding allocation for this component is \$201 million.

### 2. Crown-of-thorns Starfish Control

Expanding efforts to control crown-of-thorn starfish (**COTS**) to protect high ecological and economic value coral reefs in line with the Great Barrier Reef Marine Park Authority's [COTS Control Strategy](#). The indicative funding allocation for this component is \$58 million.

### 3. Reef Restoration and Adaptation Science

Conduct and implementation of science for the Reef Restoration and Adaptation Program, building on the design work currently being undertaken by the CSIRO, AIMS, James Cook University, University of Queensland, Queensland University of Technology and the Great Barrier Reef Foundation under the Australian Government's initial \$6 million investment. The indicative Reef Trust funding allocation for this component is \$100 million.

### 4. Indigenous and Community Reef Protection Actions

Engagement of Traditional Owners and the broader community in Reef protection actions. The indicative Reef Trust funding allocation for this component is \$22 million.

### 5. Reef Integrated Monitoring and Reporting

Implementation of the Reef 2050 Plan Reef Integrated Monitoring and Reporting Program (**RIMREP**), including eReefs and the Paddock to Reef Integrated Monitoring, Modelling and Reporting Program. This will improve Reef health monitoring and reporting and ensure reporting is scientifically robust and investment outcomes are measurable. The indicative Reef Trust funding allocation for this component is \$40 million.

An agreed proportion of the Partnership funds can be spent on administrative costs, this will include a direct payment of \$22.5 million, supplemented by the interest earned on the funding, in line with the PGPA Act investment requirements as specified in the Grant Agreement.

Implementation of the Partnership must be consistent with the Reef 2050 Plan Investment [Framework](#) that established current investments in Reef protection, determines investment priorities for the future and sets out a strategy for boosting investment and diversifying sources.

Actions delivered with the grant under this Partnership must also align with the [Reef Trust](#) objective, outcomes and [investment principles](#) and meet the purposes of the [Reef Trust Special Account](#). The Grant Agreement will contain detailed provisions for preparation and agreement of a strategy and actions to achieve the Partnership objectives and outcomes.

The grant will be undertaken in accordance with the *Commonwealth Grants Rules and Guidelines* (CGRGs) <https://www.finance.gov.au/sites/default/files/commonwealth-grants-rules-and-guidelines.pdf>

### **3. PARTNERSHIP DELIVERY PROCESS [GG-2]**

This proposal will maximise efficiencies in the delivery of outcomes by bringing together multiple parties across sectors, together with the broader Reef community, into a single Partnership. It also provides an outstanding opportunity for leveraging and coordinating funds from multiple sources.

Building on the strong foundational elements and existing investments under the Reef 2050 Plan, including the draft Reef 2050 Water Quality Improvement Plan, the Partnership is designed to accelerate efforts to reduce threats, and build resilience in the GBR.

The Partnership capitalises on the strengths and capabilities of the Foundation, and the expertise, experience and capacity of stakeholders in the GBR, to deliver the outcomes required for the collaboration.

The Foundation, formed in 2000, is the leading charity dedicated to protecting and preserving the GBR. It has established an internationally recognised and respected model for facilitating Reef conservation through solutions and on-ground actions that are grounded in science, technology and engineering. It has a strong track record raising funds to address key threats to the GBR and coastal ecosystems; and to deliver actions and interventions that support the Reef 2050 Plan.

The Foundation's success is built, over many years, on mutual trust and respect with a wide range of GBR stakeholders. The Foundation is known for effectively and efficiently developing and managing projects and contractors, on behalf of project partners and funding bodies, to deliver specific outcomes for the GBR.

Whilst the Foundation is a small organisation, it is structured on world's best-practice corporate governance, developed over many years through pro-bono advice and ongoing services from top tier professional advisory firms, as well as the guidance from its Board and Chairman's panel, which includes current and former Chief Executive Officers, Chairs and executive officers of some of Australia's largest companies. The Foundation regularly works in collaboration with, and manages investments from, Commonwealth and State government departments and bodies, including the Authority with which it has a formal Memorandum of Understanding.

### **4. ELIGIBILITY [GG-3]**

The Foundation:

- is a legal entity, able to enter into a legally binding agreement
- has an Australian Business Number
- is registered for the purposes of GST, and
- has an Australian bank account.



#### 4.1 Eligible activities [GG3.1]

The Partnership will deliver activities that directly contribute to protecting the Great Barrier Reef World Heritage Area through significantly contributing to delivery of the Reef 2050 Plan (see Section 5.2 and 5.3 of this proposal) and in accordance with the Reef Trust Objective and Outcomes (see Section 5.4).

As noted above, an agreed, capped portion of the grant funding will be used for administrative costs to meet grant delivery overheads. It is expected that administration costs will vary across the life of the Partnership.

#### 4.2 Ineligible activities [GG3.1]

The following activities are outside the scope of the Partnership:

- Funding of actions to specifically enable agricultural businesses to comply with their obligations under the *Queensland Environment Protection Act 1994* Reef Protection Regulations.
- Projects that do not align with the Reef 2050 Plan and Reef Trust Special Account purposes
- On-ground remediation projects outside the Reef catchment or outside the Great Barrier Reef World Heritage Area
- Actions and costs relating to the period before the signing of any Grant Agreement for the Partnership
- Other activities as specified in the Grant Agreement.

### 5. PARTNERSHIP ALIGNMENT AND CONTRIBUTION TO THE DELIVERY OF REEF 2050 AND REEF TRUST OUTCOMES [GG-4 points 1-5]

The Partnership will make a significant contribution to the attainment of Reef 2050 outcomes targeting four of the six priority investment areas identified in the Reef 2050 Investment Framework and, consistent with the Reef Trust's objective, outcomes and principles, will ensure efforts are focused on actions which maximise benefits for the GBR, and deliver outstanding value.

#### 5.1 Delivery against Partnership outcomes [GG4 point 1]

The Partnership's collaborative approach and investment across its five Components (See Section 2) will contribute significantly to achieving Partnership outcomes as follows:

- *Improved management of the GBR World Heritage Area and relevant activities in the adjacent catchments* will be achieved through Component 1 – water quality, supported by Components 4 and 5 to ensure effective engagement and evidence-based decision making.
- *Protection of attributes that contribute to the Outstanding Universal Value of the World Heritage Area, including species, habitats and Indigenous values* will be achieved through investment across all five Components and through the development of new technologies and approaches that can be applied by partners in the delivery of complementary Reef initiatives.
- *Management of key threats to the GBR World Heritage Area, including poor water quality and COTS outbreaks* will be achieved through Components 1 and 2 respectively, supported by Components 4 and 5.

#### 5.2 Delivery against the Reef 2050 Plan [GG-4 point 1]

The Partnership will make a significant contribution to the attainment of Reef 2050 outcomes by offering innovative approaches to addressing known and emerging issues, reducing highest risk threats and supporting the development of GBR restoration initiatives to improve resilience.

Table 1.1 below outlines how each of the five components aligns with Reef 2050 Plan actions, targets, objectives and outcomes.

Building on existing programs and working with Reef 2050 partners:

- Partnership Component (PC) 1 targets water quality improvements. It is designed to build on, align with and accelerate efforts required to achieve targets and outcomes in the Reef 2050 Plan and the draft Water Quality Improvement Plan (see Tables 1.1 and A1.2 below).
- Partnership Component (PC) 2 focusses on reducing coral mortality from COTS outbreaks in line with GBRMPA's COTS Control Strategy (see Table 1.1 below).
- Partnership Component (PC) 3 provides a globally significant opportunity to advance coral reef restoration. It aligns with, and gives effect to, the outcomes from the July 2017 Great Barrier Reef Ministerial Forum and Department's priorities for immediate attention as part of the [Reef 2050 mid-term review](#).

It will also be a key driver of Reef 2050 Plan actions designed to deliver and support restoration following disturbances and achieving targets centred on improvements to resilience, connectivity and ecosystem functioning (see Table 1.1 below).

- Partnership Component (PC) 4 (engagement) and Partnership Component (PC) 5 (monitoring and reporting) are critical enablers for a suite of actions across the seven Reef 2050 themes, focussed on maximising positive and enduring outcomes through effective community engagement and decision-support tools (see Table 1.1 below).

The six-year program enables the adoption of a strategic approach consistent with the Reef 2050 Plan's adaptive management cycle. It supports the building of productive long-term partnerships in the planning and delivery of outcomes together with approaches that build understanding, awareness and capacity of delivery partners. It provides for continuity in program planning, evaluation and improvements over timeframes required to maximise coordination and leveraging of resources and deliver measurable outcomes for the Reef.

**Table 1.1 Alignment and contribution to relevant Reef 2050 Plan\* actions, targets, objectives and outcomes**  
(\*based on Reef 2050 Long-Term Sustainability Plan 2015)

Partnership Component	Reef 2050 Plan Action	Reef 2050 Plan Target	Reef 2050 Plan Objective	Reef 2050 Plan Outcome
PC1: Water Quality	WQA2: Continue improvement in water quality from broadscale land use through implementation of the Reef Water Quality Protection Plan 2013 actions <sup>1</sup> .	WQT4: Water quality in the GBR has a stable or positive trend.	WQ01: Over successive decades the quality of water entering the Reef from broad-scale land use has no detrimental impact on the health and	Reef water quality sustains the OUV, builds resilience and improves ecosystem health over each successive decade.

<sup>1</sup> The Reef Water Quality Protection Plan 2013 has been superseded by the Draft Reef 2050 Water Quality Improvement Plan (see Table 1.2). Partnership actions are consistent with the 2013 Plan building on its strong foundation of programs and lessons learnt for continuous improvement.

Partnership Component	Reef 2050 Plan Action	Reef 2050 Plan Target	Reef 2050 Plan Objective	Reef 2050 Plan Outcome
	<p>WQA4: Implement innovative management approaches through the Reef Trust for improving water quality.</p> <p>WQA5: Increase use of cost-effective measures to improve water quality from broadscale land use, urban, industrial and port activities.</p>		resilience of the GBR.	
PC2: COTS Control	EHA12: Reduce COTS outbreaks by continuing to improve water quality and undertaking a targeted control program as needed. Improve integration and effectiveness of COTS research and management.	EHT5: Condition and resilience indicators for <u>coral reef</u> , seagrass meadows, islands, estuaries, shoals and inter-reefal habitats are on a trajectory towards at least good condition at local, regional and Reef-wide scales.	EH03: Trends in the condition of key ecosystems including <u>coral reefs</u> , seagrass meadows, estuaries, islands, shoals and inter-reefal areas are improved over each successive decade.	EH: The status and ecological functions of ecosystems within the Great Barrier Reef World Heritage Area are in at least good condition with a stable to improving trend.
PC3: Reef Restoration	<p>EHA10: Improve connectivity and resilience through protection, restoration and management of Reef priority coastal ecosystems including islands innovative and cost-effective measures.</p> <p>EHA13: Identify and prioritise key sites of high ecological value and implement recovery programs.</p> <p>Aligns with the outcomes from the <a href="#">July 2017 Ministerial Forum</a> on the need to identify and accelerate priority actions to support the Reef's health and resilience and</p>	<p>EHT5: Condition and resilience indicators for coral reef, seagrass meadows, islands, estuaries, shoals and inter-reefal habitats are on a trajectory towards at least good condition at local, regional and Reef-wide scales.</p> <p>BT2: Trends in the availability and condition of habitat for species of conservation concern are improving at Reef-wide and regionally relevant scales.</p>	<p>EH02: The Great Barrier Reef World Heritage Area retains its integrity and systems functions by maintaining and restoring the connectivity, resilience and condition of marine and coastal ecosystems</p> <p>EH03: Trends in the condition of key ecosystems including coral reefs, seagrass meadows, estuaries, islands, shoals and inter-reefal areas are</p>	<p>EH: The status and ecological functions of ecosystems within the Great Barrier Reef World Heritage Area are in at least good condition with a stable to improving trend.</p> <p>B: The Reef maintains its diversity of species and ecological habitats in at least good condition with a stable to improving trend.</p>



Partnership Component	Reef 2050 Plan Action	Reef 2050 Plan Target	Reef 2050 Plan Objective	Reef 2050 Plan Outcome
	the Department's priorities for immediate attention in the Reef 2050 mid-term review – 'encourage innovative approaches to Reef restoration, protection and management'.		improved over each successive decade.  B05: Reef habitats and ecosystems are managed to sustain healthy and diverse populations of indicator species across their natural range.	
PC4: Engagement	<p>EHA3: Support Traditional Owner stewardship activities that contribute to Reef health and resilience, including removing and where possible identifying sources of marine debris</p> <p>BA3: Improve Traditional Owner engagement to strengthen participation in decision making at all levels relating to the conservation and cultural use of biodiversity.</p> <p>HA1: Build capacity for the involvement of Traditional Owners and community members in cooperative management, planning and assessment</p> <p>WQA24: Identify and action opportunities for Traditional Owners, industry and community engagement in on-ground water quality improvement and monitoring programs.</p> <p>CBA3: Develop collaborative working arrangements with Traditional Owners which</p>	<p>EHT3: Key direct human-related activities are managed to reduce cumulative impacts and achieve a net benefit for the Reef.</p> <p>BT5: Trends in populations of key indicator species and habitat condition are stable or improving at Reef-wide and regionally relevant scales.</p> <p>HT3: Partnerships between Traditional Owners and all stakeholders are increased to ensure key Reef heritage values are identified, documented, and monitored.</p> <p>WQT5: Traditional Owners, industry and community are engaged in on-ground water quality improvement and monitoring.</p> <p>CBT3: Community participation in</p>	<p>EH03: Trends in the condition of key ecosystems including coral reefs, seagrass meadows, estuaries, islands, shoal and inter-reefal are improved over each successive decade.</p> <p>B01: Traditional Owners are engaged and participate in and manage the conservation and ecologically sustainable use of cultural keystone species and biocultural resources.</p> <p>H02: Indigenous and non-Indigenous heritage, including natural, aesthetic, historic, scientific and social values are identified, conserved and managed in partnership with the community.</p>	CB: An informed community that plays a role in protecting the Reef for the benefits a healthy Reef provides for current and future generations.



Partnership Component	Reef 2050 Plan Action	Reef 2050 Plan Target	Reef 2050 Plan Objective	Reef 2050 Plan Outcome
	<p>establish mutual trust and build Indigenous capacity.</p> <p>CBA11: Strengthen programs to understand and promote the:</p> <ul style="list-style-type: none"> <li>opportunities to contribute or play a role in protecting and managing the Reef.</li> </ul> <p>CBA12: Improve the involvement and support of local communities in monitoring, protecting, managing and sustainably using the Reef, including through citizen science and Local Marine Science Committees.</p> <p>EB13: Support the uptake sustainable practices by Reef-dependent and Reef-associated industries to limit impacts on the Reef's OUV.</p> <p>GA10: Work with Traditional Owners, industry, regional bodies, local governments, research institutions, and the community to inform delivery of local and regional actions.</p> <p>GA11: Improve Traditional Owner participation in governance arrangements for the protection and management of the Reef.</p>	<p>stewardship actions to improve Reef health and resilience continues to grow.</p> <p>EBT2: The number of employment opportunities for Traditional Owners in sea country management and Reef-based industries is increased.</p>	<p>GO3: Strong partnerships with Traditional Owners, industry, researchers and the community support protection and management of the Reef.</p> <p>CB03: Community benefits provided by the Reef, including its superlative natural beauty and the sense of place, are maintained for current and future generations.</p> <p>CB02: A healthy Reef that supports sustainable lifestyles and livelihoods, and provides coastal communities with protection from extreme weather events.</p> <p>EB04: Reef-dependent industries are productive and profitable based on a healthy Reef and are ecologically sustainable.</p>	
PC5: Reef Health Monitoring	GA15: Develop, implement and operate an Integrated Monitoring and Reporting Program to facilitate	GT5: A comprehensive Integrated Monitoring and Reporting Program is established and operational and	GO2: This Plan guides decisions about the Reef made by governments,	The OUV of the Reef is maintained and enhanced each successive decade through effective

Partnership Component	Reef 2050 Plan Action	Reef 2050 Plan Target	Reef 2050 Plan Objective	Reef 2050 Plan Outcome
and Reporting	<p>adaptive management for the Reef.</p> <p>GA5: Adopt an approach of continuous improvement as part of adaptive management of the World Heritage Area.</p> <p>This component also aligns with and contributes to the delivery of: EHA5, EHA6, EHA29, EHA30, BA4, BA17, BA19-21, HA2, HA11, WQA23, WQA24, CBA13, EBA17 and EBA18.</p>	<p>the reporting informs review and updating of this Plan.</p> <p>GT4: Investment in actions is prioritised using evidence-based risk assessment to maximise benefits for Reef health and resilience.</p> <p>GT3: Actions under this Plan are prioritised and tailored to reflect local or regional differences in threats to the values of the Reef.</p> <p>This component also aligns with and contributes to the delivery of: EHT1, EHT5, BT5, HT5, WQT5, CBT4 and EBT6.</p>	<p>industry and the community.</p> <p>GO4: An adaptive management approach underpins implementation of this Plan and results in improved governance arrangements and processes.</p> <p>This component also aligns with and contributes to the delivery of: EH01, EH03, B03, H02, WQ01, CB03, EB03.</p>	<p>governance arrangements and coordinated management activities.</p>

Table 1.2 Alignment with and contribution to Draft Reef 2050 Water Quality Protection Plan\* actions, targets, objectives and outcomes (based on draft for consultation, August 2017)

Partnership Component	RWQIP Action	RWQIP Target	RWQIP Objective	RWQIP Outcome
PC1: Water Quality	<p>Supporting a culture of innovation and stewardship:</p> <ul style="list-style-type: none"> <li>Actions 2.1-2.10</li> </ul> <p>Restoring catchments:</p> <ul style="list-style-type: none"> <li>Actions 3.1-3.4 and 3.6-3.8</li> </ul> <p>Applying best available science and knowledge:</p> <ul style="list-style-type: none"> <li>Actions 4.1-4.6</li> </ul>	<p>By 2025 end-of-catchment: 60% reduction in DIN, 20% reduction in particulate nutrient loads, 25% reduction in sediments; pesticide target to protect &gt; 99% aquatic species.</p>	<p>Improved coral condition; improved seagrass condition; improved wetland condition; improved biodiversity; improved land management;</p>	<p>Reef water quality supports the OUV of the GBR, builds resilience, improves ecosystem health and benefits communities.</p>



Partnership Component	RWQIP Action	RWQIP Target	RWQIP Objective	RWQIP Outcome
	Coordinating and prioritising investment: <ul style="list-style-type: none"> <li>• Actions 5.1-5.5</li> </ul> Governance to support decision making and accountability: <ul style="list-style-type: none"> <li>• Actions 6.1-6.3</li> </ul>			
PC4: Engagement	Supporting a culture of innovation and stewardship: <ul style="list-style-type: none"> <li>• Actions 2.1-2.4</li> </ul> Restoring catchments: <ul style="list-style-type: none"> <li>• Actions 3.6-3.8</li> </ul> Coordinating and prioritising investment: <ul style="list-style-type: none"> <li>• Actions 5.1 and 5.2</li> </ul> Governance to support decision making and accountability: <ul style="list-style-type: none"> <li>• Actions 6.1, 6.2 and 6.6</li> </ul> Monitoring progress towards targets: <ul style="list-style-type: none"> <li>• Action 7.6</li> </ul>		Increase culture of stewardship; maintain viable communities; improved governance.	
PC5: Reef Health Monitoring and Reporting	Supporting a culture of innovation and stewardship: <ul style="list-style-type: none"> <li>• Action 2.7</li> </ul> Applying best available science and knowledge: <ul style="list-style-type: none"> <li>• Actions 4.4-4.6</li> </ul> Monitoring progress towards targets: <ul style="list-style-type: none"> <li>• Actions 7.1 and 7.5-7.8</li> </ul>			

### 5.3 Alignment with the Reef 2050 Plan Investment Framework [GG-4 point 1]

The Reef 2050 Plan is supported by an Investment Framework which, developed in 2016, identifies six priority areas for investment. These are:

- Reef water quality protection plan actions
- Field management program actions
- Reef 2050 integrated monitoring and reporting program actions
- Crown-of-thorns starfish control actions

- Traditional Owner actions
- Fisheries actions

The Partnership will make a significant contribution to water quality, COTS control, monitoring and reporting, and Traditional Owner actions. It aligns with, complements and supports the joint Australian and Queensland government Field Management Program and fisheries management actions. Table 1.3 below outlines how each Partnership component addresses and supports priority investment areas.

Since the development of the Investment Framework the GBR has experienced back-to-back bleaching events resulting in large scale coral mortality. These events, combined with other impacts, have resulted in the need for new and innovative approaches to Reef restoration becoming an additional priority area for investment. The Partnership's Reef restoration program component will make a significant contribution to this priority area.

**Table 1.3 Alignment with the Reef 2050 Investment Framework**

Reef 2050 Framework Investment Framework priority area	Alignment of partnership component with priority area
Reef Water Quality Protection Plan actions	<b>PC1:</b> Directly addresses this priority area. It complements existing actions underway and focuses on accelerating water quality improvements through innovative delivery models, novel approaches to drive behaviour change, piloting new on-ground approaches and technologies, together with new financing solutions. Investments will be directed to activities that maximise pollutant reductions in a timely and cost-effective manner.
	<b>PC2:</b> Complements actions focussed on water quality improvements by reducing coral mortality through targeted COTS control until nutrient loads entering the Reef ('COTS initiation zone') are reduced sufficiently to reduce outbreak frequency.
	<b>PC3:</b> Development and trialling of Reef restoration technologies and approaches will take into consideration the effect of water quality impacts on coral reefs and actions being targeted under the RWQPP. For example, flood plume impacts on coral reefs and timeframes for water quality actions in the catchment to translate to improvement in Reef lagoon water quality. These considerations provide important context for where and how Reef restoration activities will proceed. This component will also consider the synergistic effects of water quality with other disturbances on Reef restoration and recovery.
	<b>PC4:</b> Recognises effective community engagement and inclusive approaches are fundamental to driving practice change and the uptake of alternatives – both of which are key to reducing pollutant loads entering the Reef from the catchment.
	<b>PC5:</b> Focuses on the coordination, alignment and integration of catchment and marine monitoring, modelling and reporting programs to capitalise on existing investment, improve efficiencies and the quality and timeliness of data for decision making on water quality investments.



Reef 2050 Framework Investment Framework priority area	Alignment of partnership component with priority area
Field Management actions	PC2: Complements and value-adds to the joint Field Management Program (FMP) COTS surveillance and control efforts.
	PC3: Provides expertise on Reef restoration techniques and resources to complement existing FMP efforts in Reef recovery following disturbances.
	PC5: Recognises the FMP as a key partner in the collection and use of data critical to responsive and effective on-ground management. PC5 will enhance integration of systems and accessibility of data.
Reef 2050 Integrated Monitoring and Reporting actions	PC5: Directly targets this priority area by capitalising on existing program effort and driving innovation in monitoring, modelling and reporting to reduce costs, increase coverage and improve accessibility and timeliness of data for Reef managers and the public.
	PC4: Supports engagement with the science community and citizen science groups as part of the operationalisation of RIMREP.
Crown-of-thorns starfish control actions	PC2: Directly targets this high priority investment area by providing resources for a scaled up in-water control program as part of an integrated COTS management strategy.
	PC5: Supports investment in this area through the provision of integrated monitoring, modelling and reporting data to ensure control efforts are targeting areas that will deliver maximum impact and value.
Traditional Owner actions	PC4: Complements and builds on existing investment to support and build capacity of Traditional Owners and Reef 2050 partners in the delivery of Indigenous actions under the Reef 2050 Plan.
Fisheries actions	PC4: Supports engagement with the fisheries sector as part of a holistic, collaborative and inclusive approach to the delivery of Partnership components, many of which underpin and support healthy and productive habitats for fisheries.

**Note:** The Reef 2050 Investment Framework was developed in 2016 prior to the 2016-2017 back-to-back bleaching events and cyclone Debbie. These events, compounded by other cumulative impacts, have resulted in innovative approaches to Reef restoration now been identified as an additional priority area for investment.

Alignment with the purposes of the Reef Trust Objective, Outcome and Special Account Determination [GG-4 – point 2]

The Partnership is aligned with the objective of the Reef Trust to “provide cost effective, strategic investment which goes above and beyond existing programmes to address key threats to the Great Barrier Reef and catchments for the long-term protection and conservation of the outstanding universal value of the Great Barrier Reef”.



It maximises impact and value through investment in innovative and integrated techniques and approaches targeting three of the highest risk threats to the GBR (water quality, COTS and climate change related disturbances to the GBR).

The Partnership will determine investments according to the approach used for the Reef Trust. That is, investment opportunities will be assessed based on their ability to:

- address the highest priority threats in the highest priority locations;
- protect and improve critical assets through on-ground change;
- complement previous and current investments in the GBR catchments; and
- bring about the most amount of environmental benefit for each dollar invested.

Table 1.4 outlines how the Partnership aligns with and delivers against Reef Trust requirements.

**Table 1.4: Partnership Alignment with the Reef Trust Objective, Outcomes and Special Account Determination**

Reef Trust Objective, relevant Outcomes and Special Account Determination	Partnership Component (PC) Alignment and Contribution
<p><b>Objective:</b> <i>To provide cost effective, strategic investment which goes above and beyond existing programs to address key threats to the Great Barrier Reef and catchments for the long-term protection and conservation of the outstanding universal value of the Great Barrier Reef.</i></p>	<p>The Partnership maximises value and impact through investment in innovative and integrated techniques and approaches targeting threats to the Reef. Climate change, water quality and COTS are the three highest risks to the Reef (Outlook 2014).</p> <ul style="list-style-type: none"> <li>• <b>PC1</b> focusses on improving water quality</li> <li>• <b>PC2</b> focusses on reducing coral mortality from COTS outbreaks</li> <li>• <b>PC3</b> focusses on Reef restoration – technologies and approaches to build Reef resilience and support recovery from climate change impacts.</li> </ul> <p>The Partnership aligns with, supports and complements existing activities and adopts a collaborative approach to ensure efforts are coordinated and opportunities to leverage additional funds and resources are maximised.</p> <p><b>PC4</b> and <b>PC5</b> are critical enablers to ensure positive and enduring outcomes through effective community engagement and decision-support tools.</p> <p>The six-year program enables the adoption of a strategic approach consistent with the Reef 2050 Plan's adaptive and resilience-based approaches.</p>
<p><b>Outcome 1:</b> Improve the quality of water entering the GBR from broad-scale land use to increase the health and resilience of the Reef.</p>	<p><b>PC1</b> targets water quality improvements, building on existing programs and lessons learned. This component focuses on a combination of scaling proven approaches and trialling new cost-effective technologies and approaches to drive pollutant load reductions.</p> <p><b>PC3</b> underpins engagement critical to practice change and the uptake of alternatives.</p>

Reef Trust Objective, relevant Outcomes and Special Account Determination	Partnership Component (PC) Alignment and Contribution
	<p>PC5 focuses on the coordination, alignment and integration of catchment and marine monitoring, modelling and reporting programs to capitalise on existing investment, and improve efficiencies and the quality and timeliness of data for decision making.</p>
<p><b>Outcome 2:</b> Improve the health and resilience of coastal habitats.</p>	<p>PC1 directly contributes to improvements in water quality vital to improving the health and resilience of coastal habitats.</p> <p>PC4 focuses on engagement to support stewardship activities to build ecosystem health and resilience in the catchment and along the coast.</p> <p>PC5 is key to ensuring a targeted approach to investment and community-based restoration efforts by providing improved accessibility to and timeliness of data.</p>
<p><b>Outcome 3:</b> Improve and protect marine biodiversity, including the reduction of crown-of-thorns starfish and protection of listed threatened and migratory species, such as dugongs and turtles.</p>	<p>PC2 directly contributes to the reduction of COTS and PC1 directly contributes to improving water quality which is critical to maintaining healthy habitats, particularly seagrass foraging areas, for dugongs and turtles, and biodiversity of coral reefs.</p> <p>PC4 and PC5 are key enablers for the engagement of Traditional Owners and the broader community in species conservation and ensuring protection efforts are focussed on areas that will yield the result in the best outcomes for marine biodiversity.</p>
<p><b>Special Account Determination 7(1)(a)</b> ... projects to improve water quality and coastal habitat in the Great Barrier Reef World Heritage Area</p>	<p>See Outcomes 1 and 2 above.</p>
<p><b>Special Account Determination 7(1)(b)</b> ... projects to address threats to the environment of the Great Barrier Reef World Heritage Area</p>	<p>PC1 addresses one of the highest risk threats to the Reef – poor water quality from catchment runoff. Actions to improve water quality are yielding positive results but must be accelerated for positive outcomes to be realised on the Reef.</p> <p>PC2 directly contributes to the reduction of one of the highest risks to the Reef—outbreaks of COTS. COTS are the only non-climate change or water quality threat identified as a 'very high' risk in the 2014 Outlook Report. It is one of the major threats driving coral decline and the potential to minimise impacts through PC2 is one of the most scalable and feasible options for reducing coral mortality and further declines in system resilience.</p>



Reef Trust Objective, relevant Outcomes and Special Account Determination	Partnership Component (PC) Alignment and Contribution
	PC4 and PC5 are key enablers to accelerating efforts to address threats and ensuring risks are understood and dealt with a timely manner.
Special Account Determination 7(1)(c) ... projects to protect, repair or mitigate damage to the Great Barrier Reef World Heritage Area	<p>PC1 and PC2 will contribute to the protection of the Reef from damage by reducing impacts from poor water quality and coral mortality from COTS.</p> <p>PC3 provides one of the most globally significant opportunities to advance coral reef restoration. Focussed on development and implementation of new techniques to assist Reef recovery this cutting-edge program is key to repairing damage and building ecological, social and economic resilience of the Reef in a changing climate.</p> <p>PC4 and PC5 are key enablers to community engagement in activities to repair and mitigate damage and in ensuring efforts are targeted to areas which will yield maximum impact and value.</p>

#### 5.4 Alignment with Reef Trust principles of investment [GG4 – point 3]

Table 1.5 below outlines how the Partnership proposal aligns with each of the Reef Trust's investments principles and, together with section 6, describes the Foundation's approach and capacity to deliver against principles.

Partnership investment decisions will align with the Reef Trust investment principles of:

- **Additionality and complementarity:** investments will build on and align with existing efforts, not duplicate or replace them.
- **Clear outcomes and targets:** investments are focused on delivering results.
- **Cost-effectiveness:** Reef Trust will invest in diverse, well-planned, cost-effective activities and consider a range of disbursement mechanisms including market-based instruments.
- **Cognisant of available funds:** investment priorities will consider the likely size of available funds in the Reef Trust and co-investment opportunities.
- **Collaboration and partnerships:** investments will consider how Reef Trust can best work with a range of stakeholders to plan, identify, develop and deliver projects. Partners will include the community, volunteers, Landcare, natural resource management (NRM) groups, Indigenous groups, industry groups and local government.
- **Effective delivery:** priority projects will be implemented based on sound scientific approaches and methodologies, and using targeted monitoring and evaluation. This will support effective decision-making and facilitate adaptive management.
- **Evidence-based and scientifically defensible:** planning, identification and development of priority, targeted projects will be aligned with best available scientific and expert knowledge and guided by the outcomes of existing scientific and economic prioritisation initiatives.



- **Strategic, on-ground change:** making the most of consolidated funds and collaborative efforts with a strong on-ground delivery focus and minimal administrative overheads.

Table 1.5 Alignment with Reef Trust investment principles

Reef Trust Investment principle	GBRF Program alignment with principle	GBRF alignment with principle
Additionality and complementarity	The Partnership builds on and aligns with existing efforts across all five component areas. It draws on the expertise and experience of Traditional Owners and stakeholders; complements existing investments and collaborations; and value-adds to existing approaches by focussing on innovative approaches and technologies to address key threats (reduce catchment runoff pollutant load reductions and COTS mortality), improve resilience (world leading Reef restoration R&D) and maximise positive and enduring outcomes (effective engagement and evidence-based decision making).	Where-ever possible and feasible this partnership will complement and leverage existing programs and initiatives and will not duplicate efforts underway.  The program will be designed to identify, leverage and maximise opportunities for enhancing impact through integration across components.
Clear outcomes and targets	Refer Tables 1.1, 1.2. and 1.4	
Cost effectiveness	<p>The Partnership Program is focussed on maximising impact and value through cost-effective and innovative approaches to tackle highest risk threats to the Reef (PC1: water quality and PC2: COTS), assisting Reef recovery (PC3), driving practice change (PC4) and deliver timely and targeted actions (PC5).</p> <p>This includes innovative delivery models, novel approaches for behavioural change, incentives and innovative financing solutions and investing in the highest priority areas</p>	<p>GBRF is committed to undertaking a robust, transparent and inclusive investment strategy planning process and embedding innovation in its strategy through strong partnerships with the private sector.</p> <p>It will work with existing deliver partners and seek new delivery partners to implement cost-effective approaches which maximise impact and value.</p> <p>It will seek to leverage funding, expertise and resources with its partners to maximise value and impact.</p> <p>It will invest in innovative and cost-effective approaches targeting highest risk threats and measures to restore Reef resilience.</p>

Reef Trust Investment principle	GBRF Program alignment with principle	GBRF alignment with principle
Cognisance of available funds	The Partnership Program recognises the need to prioritise and target efforts where they will have greatest impact. Each component will draw on the best available information to target investment to areas which will maximise the reduction of threats and protection of critical areas together with co-investment opportunities.	GBRF will target funds to highest priority threats in the highest priority locations; complement and leverage existing investments; and seek to maximise co-investment in activities across all component areas.
Collaboration and partnerships	The Program will be delivered in partnership with government, Traditional Owners, the scientific community, industry, conservation and community groups.	GBRF's business model is based on partnerships and collaborative approaches. It recognises that inclusive approaches which consider the ecological, social, cultural and economic dimensions facing the Reef are more likely to result in positive and enduring outcomes for the Reef.
Effective delivery	<p>Projects will be planned, delivered, monitored, evaluated and adapted consistent with best practice program and project management.</p> <p>The Partnership will be underpinned by clear governance, scalable systems and transparent reporting to ensure effective delivery of projects</p>	<p>GBRF is committed to undertaking a robust, transparent and inclusive planning and delivery process.</p> <p>The Partnership will be designed to be responsive to changing circumstances and deliver timely, cost-effective and enduring outcomes in the context of a changing climate and an understanding of cumulative pressures.</p>
Evidence based and scientifically defensible	<p>Each component of the Partnership Program is based on the best available science, including but not limited to the: Strategic Assessment of the Great Barrier Reef World Heritage Area; the Outlook Report; the 2017 Scientific Consensus Statement; the Great Barrier Reef Blueprint for Resilience and numerous peer-reviewed scientific publications.</p> <p>PC5 focusses on delivering the best available modelling and monitoring information to inform and respond to emerging risks and PC4 focusses on engaging the scientific community, Traditional Owners and those with expert</p>	<p>The GBRF engages with a wide range of experts to ensure its decisions are based on the best available scientific and expert knowledge.</p> <p>It is guided by its Science Advisory Committee and technical advisors and has a solid track record in delivering projects grounded in strong science.</p>



Reef Trust Investment principle	GBRF Program alignment with principle	GBRF alignment with principle
	knowledge in the planning and delivery of projects.	
Targeted investments arising from offsets	Not applicable	
Strategic, on-ground change	The Partnership Program operates within the context of the Reef 2050 Plan, which provides a shared framework bringing together actions across government, Traditional Owners, industry, researchers and the community.	GBRF is focussed on delivering outcomes that build on existing efforts and collaborations and are solution-focussed, cost-effective and pragmatic in their application.

### 5.5 Builds on existing efforts [GG-4 point 4]

The design and delivery of the Partnership ensures strong alignment and complementary approaches with past and current GBR protection initiatives by:

- drawing on the experience and expertise of management agencies, the scientific community, Traditional Owners, industry, non-government organisations and community groups through strong partnerships and inclusive practices.
- building on work carried out as part of the comprehensive *Strategic Assessment of the Great Barrier Reef World Heritage Area*, the *Great Barrier Reef Outlook Report*, the *Great Barrier Reef Water Science Taskforce*, the draft *Reef 2050 Water Quality Improvement Plan*, the *2017 Consensus Statement – Land use impacts on Great Barrier Reef Water Quality and Ecosystem Condition*, the *Reef Blueprint for Resilience* and the *Reef 2050 Plan* and supporting documentation.

An early milestone in the Partnership will be the development of an overarching landscape description and gap analysis. This will be prepared in collaboration with key partners. Appendix 1 provides a high-level analysis of Partnership Components, indicative process for the development and delivery of each Component together with high level principles. It also provides an overview of how each of the five Partnership Components builds on existing efforts describing:

- Context
- Scope
- Key stakeholders
- Key documents
- Mapping of other activities
- Recognition and leverage of existing governance arrangements
- Foundation's expertise and capacity



## **5.6 Enhancing Partnership delivery through private and philanthropic co-investment [GG-4 point 5]**

The Partnership provides an outstanding opportunity to utilise the Foundation's national and international networks and core purpose to attract significant additional investment from within and outside Australia, and from across the diverse base of stakeholders and funding bodies that work in, or have prioritised investment in, improving the health of the world's oceans and reefs. Our proven track record in raising funds from non-government sources is described in section 6.4 below.

Non-cash contributions will also provide a significant value-add to Partnership outcomes by providing access to expertise beyond the Reef domain. This has previously proven to give rise to fresh perspectives and approaches which can significantly advance outcomes for the GBR.

Apart from our capacity to deliver projects and raise capital and commitments for co-investment, we are also a 'standout' in the charitable sector in that 80% of every dollar donated to the Foundation goes to the GBR.

## **6. CAPABILITY AND CAPACITY [GG-4 points 6-10]**

### **6.1 Partnership and Reef 2050 linkages, including advisory bodies [GG-4 dot point 6]**

The Foundation has undertaken a detailed analysis of the linkages between Partnership Outcomes and the Reef 2050 Plan (and related and demonstrates a comprehensive understanding of how the two align with and contribute to each other (see section 5 above).

The Foundation also recognises the need to maximise alignment of existing governance arrangements for the delivery of the Partnership to avoid duplication, ensure efficient two-way exchange of information, and facilitate effective engagement with peak bodies, potential delivery partners, scientists and experts on investment design and delivery.

The Foundation has robust governance arrangements in place, including an independent skills-based Board of business leaders, an International Scientific Advisory Committee (**ISAC**) comprised of leaders of leading GBR research and management organisations, and an Audit, Risk and Compliance committee comprised of Chief Financial Officers from leading companies. The Foundation's ISAC includes a formalised communication and ideas-exchange channel with the Reef 2050 Independent Expert Panel (**IEP**) via Prof Ove Hoegh-Guldberg.

Current Foundation committee charters and memberships are provided in Appendix 2.

The Foundation will continue to engage and work closely with the **IEP**, the **RAC** (of which the Foundation is an active member) and the Reef 2050 Integrated Monitoring and Reporting Program Steering Committee (**RIMREP SC**).

Terms of reference will be developed for a Partnership Management Committee (**PMC**) as a subcommittee of the Foundation's Board and will be an early milestone under the Partnership Grant Agreement. The Department will be offered an observer position on the Foundation's Board and representation on the Partnership Management Committee.

A detailed governance structure demonstrating linkages between the Foundation's existing governance structures, the existing Reef advisory bodies and the new Reef Trust-Foundation Partnership will be an early milestone under the Partnership Grant Agreement.

Component level governance for each of the five areas will be established as part of the program design phase and wherever possible and appropriate, we will draw upon existing governance arrangements. (see Transition Plan summary below).

## **6.2 Ability to promptly build delivery capacity to effectively and efficiently deliver Partnership outcomes [GG-4 dot point 7]**

### **Strong and effective governance and external advisors in place**

The Foundation's governance arrangements are well established and its board and committee members provide a wealth of expertise and experience to support the effective and efficient delivery of partnership outcomes.

The Foundation's Board comprises representatives of Australian business, science and philanthropy, reflecting the charter to bring all sectors together for the benefit of the GBR. Our Audit, Risk and Compliance committee is comprised of current or previous finance executives from corporate Australia.

The Foundation is directly advised by ISAC. Independently chaired by Professor Paul Greenfield AO, the committee plays a critical role in the selection, development and implementation of significant projects with the Foundation's partners. This is an important component of our rigorous governance process for funding priority projects, alongside independent peer review.

The Foundation has numerous pro-bono and contractor arrangements to receive advice, services and assistance on governance from top tier professional services firms. For example, Allens Linklaters for legal advice, PwC for Commercial Services and Deloitte as external auditor. The Foundation has the governance structures, policies and procedures that would typically be seen in organisations many times our size – thus the framework to scale operations is already in place. The Foundation regularly manages international projects and has policies and procedures to meet some of the strictest compliance requirements for relevant international laws, such as those in relation to anti-corruption. s47G(1)(a)

### **Established networks to help build capacity and to rapidly acquire high quality resources and services**

The Foundation has ready access, through our Chairman's Panel group (see Appendix 3) and its corporate, philanthropic, government and research networks, to the resources and advice needed to scale the organisation and manage an expanded portfolio of projects. In relation to the new funding, the Foundation has already engaged PwC to undertake an organisational maturity assessment; and a change management consultant to support both existing staff and the recruitment of new staff. Work is well underway to engage program designers and experts around the five components.

The Foundation is exploring flexible short-term approaches to scaling up such as seconding experts from other organisations s47G(1)(a) or engaging with consultants s47G(1)(a). This will be particularly important in the first six months of the Partnership and will provide the lead time required to recruit staff on longer-term contracts, while allowing us to simultaneously hit the ground running.

A draft high-level transition plan is provided in Table 2 below.

### **Solid Project Management Systems and Processes in place**

The Foundation has a proven track record in designing and managing complex projects. Project staff have strong backgrounds in project management and this expertise is supported by project management systems and processes. Historically this has involved a project database to house contracts and enable reporting

against milestones for reporting and funding obligations, combined with monthly cash reconciliations to ensure accurate acquittal for funders.

In early 2018 the Foundation began planning for a new system with expanded capability and we are currently in the process of implementing the Salesforce CRM which will provide an integrated, cloud based, accessible system for all of our employees. This CRM will hold our contracts, sync with our financial system and will streamline the end-to-end Project Management system with automated features mitigating the risk of human error. This CRM is also scalable and we plan to build in a community feature which will enable our external suppliers/sub-grantees to use a portal with templates for milestone reporting obligations as well as workflow their requirements ahead of time. This portal will also provide the option for online automated proposal submission which will be required for managing competitive tender processes.

### **A partnership model that allows rapid expansion of project delivery**

The Foundation operates on a partnership model for the delivery of projects and services – this model and experience allows us to expand rapidly and to continue to effectively manage the delivery of complex projects. This means that internal expansion of capability is solely focused on scaling up the commercial and supporting functions of the organisation, rather than scaling delivery capability. The Foundation has a proven track record in sourcing, securing and oversighting delivery partners to deliver tangible and measurable results including research organisations (AIMS, CSIRO, UQ, JCU, QUT, ANU etc), government delivery partners such as the Joint Field Management Team, Queensland Parks and Wildlife and Bioplatforms Australia, the private sector delivery partners both large s47G(1)(a) and small (e.g. EcoSure) and community organisations such as Conservation Volunteers Australia, Tangaroa Blue and citizen science groups.

The Foundation will subcontract with implementation and delivery partners based on the principle of ‘the best person or team for the job’, and the day to day project management associated with the delivery of these contracts will be managed by the Foundation’s Project Directors. We promote collaborative partnerships to ensure we have strong and diverse delivery teams, and to grow capacity and help mitigate risks associated with single delivery partners. The contracting with delivery partners will, wherever appropriate, be through an open and competitive process, however when building on or extending existing initiatives, and needing to leverage existing background Intellectual Property (IP), or for large-scale consortium style collaborations, direct negotiation may be more appropriate.

This partnership model ensures the Foundation has ready access to a large number of partners who can support us to scale, can support on-ground delivery and that can co-invest, resulting in greater resources – both cash and in-kind - being contributed to reef protection and restoration activities.

### **Well-respected stakeholder in the sector, with critical working relationships in place**

Over 17 years the Foundation’s role bringing groups together for the benefit of the GBR has grown substantially. The Foundation is a key part of the fabric of the GBR management ‘ecosystem’. We are a ‘connector’ around this national and international icon with an intimate understanding of the space and the stakeholders, and are deeply embedded in the GBR community. The Foundation has a long-standing, strong and trusted working relationship and partnership with the Authority, formalised via an MOU in 2017. It is a member of the Reef 2050 Advisory Committee.

Through our projects we have fostered trusted relationships and united key institutions with a cooperative approach to achieve outcomes that would not otherwise have been possible.

Examples include:

**eReefs:** The eReefs project developed a series of near-real time reef monitoring and modelling tools providing data on past, current and projected future Reef condition. This large-scale and complex project was delivered



through a collaboration between CSIRO, AIMS, the Bureau of Meteorology and the Queensland Government, with funding from the Australian Government, Queensland Government, Science Industry Endowment Fund and BHP. The extensive network of implementing and funding partners ensured broad support and strong end-user buy-in, evident by its use in developing water quality targets, generating Reef water quality report cards, identifying the rivers contributing most to crown-of-thorns starfish outbreaks, and assessing the feasibility of novel reef interventions such as Reef Havens. Contributing significantly to efforts to manage, protect and preserve the GBR over the long-term, eReefs has become a critical decision-making tool and is now transitioning into a fully operational system, used by both Federal and State Governments as well as the research community.

**Raine Island Recovery Project:** The Raine Island Recovery Project is another example of a successful private-public partnership and collaboration. The project, which is implemented by the Queensland Government and GBRMPA, through their Joint Field Management Program, has benefited hugely from the input of expertise from its corporate partner BHP. BHP has been able to support planning discussions relating to engineering and mechanical interventions, risk management frameworks and OH&S. They have also provided invaluable support and contribution of expertise to the development and execution of Traditional Owner engagement strategies, which has facilitated the successful collaboration with the Traditional Owners of Raine Island sea country.

**Resilience Mapping:** Integration of aligned but individualised efforts into a single, outcomes focused program is another successful strategy that the GBRF employs. A good example of this is the integration of several mapping and modelling projects to deliver a high resolution map and model of current and projected resilience of the reefs in the Cairns management area. The program successfully integrated the eReefs model with ecosystem and connectivity models and satellite derived, coral habitat maps to enable predictions regarding COTS outbreak trajectories and the impacts of future Climate change and Water quality scenarios on coral cover on the 230 reefs in the region. This one year, \$1m program highlighted the need for, and capacity of improved maps and models as crucial decision support and monitoring tools. The integrated models are now being extensively used to underpin decisions in the definition phase of the Reef Restoration program, and GBRMPA are funding the expansion of the detailed habitat maps to cover the entire GBR. Furthermore, this collaboration, which saw GBRMPA as a key partner with the research institutions, has greatly enhanced the collaboration between GBRMPA staff and the mapping and modelling research community, who are now working together to deliver a map of resilience “hot spots” to inform Outlook 2019.

GBRF has also leveraged its extensive international networks to ensure that this GBR focused resilience mapping project is integrated within an international reef mapping project s47G(1)(a) . Through this collaboration there is great opportunity for knowledge transfer and sharing between coral reef sites around the world, and this work will inform future monitoring activities of the International Coral Reef Initiative (ICRI).

This Partnership will require the Foundation to expand its existing networks and update its engagement model to include an explicit focus on:

- engaging Traditional Owners and partners with reach into the broader community, and
- bringing new expertise and delivery partners to the table to complement existing programs and activities.

The Partnership will build on engagement approaches being developed through the RRRC's [Traditional Owner Aspirations Project](#) and approaches outlined in the Reef Blueprint for ‘empowering people to be part of the solution’. It will develop an engagement strategy to guide and support the delivery of collaborative and integrated approaches, build understanding and capacity, amplify reach and maximise uptake of practices for positive and enduring change.

Table 2: High Level Transition Plan

Transition Focus	Q2 2018	Q3 2018	Q4 2018	Q1 2019
Partnership	Partnership Agreement finalisation and execution Design governance framework	Project transition from AG Finalise program design; Finalise governance framework Appoint Partnership Management Committee	Agreement with AG on partnership KPIs, including processes for developing annual investment strategy and activity plans	Review reporting mechanisms in place
Capacity Building	Engage PWC to undertake Maturity Assessment of GBRF Recruit Senior team in Finance, Marketing and Programs	Secure external business advisory support to implement recommendations from Maturity Assessment Recruit Senior team and priority support staff Move to expanded office	Complete implementation of new business systems and policies Recruit support staff Refresh Strategic Plan 2018-2022	Ongoing internal audit systems in place Review and refine resourcing and advisory support as required
Financial Management	Develop Fund Investment strategy Implement rolling forecast of 2018 Budget	Present 2019 budget to Board	Board endorsement of Investment strategy	Implement investment strategy, engage Funds Managers
Program Design and Delivery	Undertake initial Project scoping and transition Identify and engage key personnel (for program design phase only)	Project planning and design in consultation with delivery partners and independent experts Early win identification	Endorsement of program plans (ISAC, Partnership Management Committee) Preliminary implementation of new programs Component roadmapping for WQ and COTS complete Program guidelines in development	Program guidelines in place** Component level governance resolved Commence contracting phase for new program delivery partners Component roadmapping for reef restoration, Community and TO engagement and Monitoring complete

Stakeholder Engagement	Meetings with QG, GBRMPA, AG and other key delivery partners  Update website with holding statement around program design.	Stakeholder meetings and design of engagement plan  Agree on ongoing partnership mechanism with GBRMPA	Establish Indigenous Advisory Group and commence consultation on program	Ongoing stakeholder engagement to support strong partnerships and promote translation, sharing and scaling of outcomes.
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\*\* The Foundation will develop a comprehensive set of guidelines which will include processes for funds disbursement (i.e. open tender, direct negotiation, facilitated collaboration etc.), project selection including assessment processes/criteria and managing unsolicited proposals. It will also contain all the appropriate templates for proposals and reporting.

### Advisory Support Summary

Area	Sub Committee	External advisors
Capacity Building / Human resources	Finance and audit	PwC – Maturity Assessment  Tender – Implementation of recommendations from assessment  Leadership Coach and HR consultant secured on casual basis
Financial Management	Investment	Tender
Program Design and Delivery	ISAC, Partnership Management Committee	s47G(1)(a) assisting in program design
Stakeholder Engagement/Communications		s47G(1)(a) working on key stakeholder markets

### **6.3 Ability to provide timely, high quality project reporting information and data to meet a range of stakeholder requirements [GG-4, dot point 8]**

The Foundation is an independent entity registered with and regulated by the Australian Charities and Not-for-profits-Commission (ACNC). We are open and accountable, maintaining high standards of integrity and best practice in all that we do. We transparently report the use of all donor funds in accordance with the ACNC Act 2012 and the Register of Environmental Organisations (enabled under the *Income Tax Assessment Act 1997*). We will abide by and report in line with Grant monitoring, reporting and acquittal requirements (Section 10), and are experienced with the Australian Government's MERIT process.

The Foundation is experienced in providing reports and information to a diversity of stakeholders with differing needs, expectations and communication interests including government, the private sector, individual donors, the general public and the research community. For example, we currently provide reports and information to our corporate partners such as case studies for their annual Sustainability or Environmental Reports; co-author articles in peer reviewed journals; provide general reef and project information in a monthly newsletter to a lay audience, and commission economic reports such as the 2017 Valuation of the GBR undertaken by Deloitte (Access Economics). We have an open data requirement in all of our subcontracts and as such data from many projects feed into national and international public databases, for example the ocean chemistry data collected via the Foundation's Future Reef Project feeds directly into the Bureau of Meteorology nationally and global climate models internationally.

As almost all of the projects we fund are reef-management facing we have a very strong emphasis on adoption and translation. This extends far beyond just providing a report and expecting reef managers and policy-makers to extract what is useful. We co-develop projects as partnerships between delivery partners, reef managers and the Foundation so that outcomes are embedded within end-user organisations. For example, in 2017 we funded a \$1M project to develop a prototype reef resilience tool focused on the Cairns Management region. The tool was designed with GBRMPA and for GBRMPA and information relating to the identification of the most resilient reefs in this region was made immediately available to GBRMPA via the tool – their tool. In this way, the partnerships that we fund and oversee often unlock data and information that has been previously only contained in scientific publications or held within the confines of a particular institution.

### **6.4 Ability to raise funds from the private sector [GG-4, dot point 9]**

The Foundation has a proven capacity and track record in raising capital to fund GBR protection and restoration initiatives and in delivering outcomes and value for money from the expenditure of public, private and philanthropic funding. Over the past 10 years the Foundation has secured more than \$80M of cash investment for the GBR, with \$30M of this secured in the last 18 months.

There are dozens of examples of projects that have been consistently leveraged at least 1:1:1 with government: private: and delivery partner co-investment. Some examples include:

- **Raine Island Recovery Project:** The Foundation secured \$5.45M from BHP Billiton for the Raine Island Recovery Project, with an additional \$2.5M provided by the Queensland Government. This project is profiled in the Reef Trust Partnerships for the Reef Prospectus.
- **eReefs** – The Foundation secured an initial \$5M investment from BHP Billiton which was leveraged with \$4.9M from the Science Industry Endowment Fund (SIEF), \$8M from the Australian and Queensland Governments and \$16M co-investment from research institutions.
- **The Resilient Reefs program:** The Australian Government provide a \$12.5M investment to the Foundation for implementing a portfolio of projects aimed at building resilience of the Reef to climate change. The Foundation matched every \$1 of government investment with \$1 of additional cash investment, and \$1 of co-investment from research institutions.



- **Reef Islands:** The Foundation recently raised \$6M from a corporate partner and a private donor and this has been matched by a \$5M investment from Reef Trust and a \$3M investment from the QG, providing \$14M for protecting and restoring climate refuges – a previously unfunded priority.

Identifying and encouraging non-cash partnerships are also a critical component of the Foundation's fundraising strategy – for example, a new partnership with Lendlease will see 250 volunteers a year over the next five years provide real on-ground support to communities and businesses in the Whitsundays through the Reef Islands Initiative. Access to some of the brightest minds in corporate Australia will help support us in our commercial, communication, fundraising and project management activities. Prior to the Reef Trust – Great Barrier Reef Foundation Partnership being discussed, the Foundation's Board had already approved an ambitious plan for a \$100 million public-facing fundraising campaign to commence in 2019.

## **6.5 Evidence of relevant expertise and experience in delivering similar activities [GG-4, dot point 10]**

### **Track record of project delivery at the relevant scale**

We have highly productive working relationships with key GBR stakeholders and have successfully managed complex multi-party projects worth more than \$30 million (e.g. eReefs), demonstrating the skills and processes to deliver projects of the size that will be typically expected in this Partnership. Examples are provided below:

- **Portfolio Management:** The Foundation is experienced in developing and overseeing project portfolio's. In 2009, with just four full-time staff, the Foundation developed and published a \$100M project portfolio - "Resilient Reefs Successfully Adapting to Climate Change" (full copy of this portfolio is found in Appendix 3). This portfolio was co-developed with input from more than 75 people (representing 15 organizations) including reef experts, industry experts and outside the box thinkers. At this time there was no Reef 2050 Plan to guide investments so this process started at the very beginning, workshoping and prioritising key threats to the GBR, and then developing a project portfolio to address these. Over the following seven years the Foundation raised funds for, and oversaw the implementation of, the project portfolio, managing between ten and forty individual projects at any one time. The Foundation facilitated a range of funds disbursement approaches in the execution of this Portfolio including several open competitive tender processes, consortia approaches where all of the key experts were brought together to design and deliver a project (e.g. eReefs and the Sea-quence project) and direct negotiation with a single provider in instances where the goal was to accelerate a promising project already underway or where there was only a single suitably qualified provider. Regardless of the process every proposal was peer reviewed and endorsed by the Foundation's International Science Advisory Committee.
- **Project design and management:** The Foundation has designed and managed projects from micro-scale (from \$10k) to large-scale (\$35 million), and from foundational scientific research (coral genomics), to the development of tools for reef managers (eReefs and Resilience Mapping) to on-ground conservation activities (Raine Island, Reef Islands and ReefBlitz). We have established project management systems and processes in place and are currently transitioning to a larger, more integrated and scalable enterprise system.
- **Delivering high impact outcomes for the GBR:** The Foundation has an established track record in delivering projects with high impact outcomes for the GBR. Examples include:

**Resilient Reefs Successfully Adapting to Climate Change:** The aim of this Program was to provide knowledge and tools to inform management of the Reef in the face of a changing and increasingly variable climate. Major achievements of the program have been delivery of two new tools for reef management – a prototype resilience mapping tool for identifying reefs essential for reef recovery following a disturbance event, and eReefs. Through this program, we have delivered more than 30 projects, partnering with 15 national and international research institutions. We have substantially increased foundational data on the Great Barrier Reef through the release of the first open source coral genome library containing the

genomes of nine cornerstone Great Barrier Reef coral species and their algal and microbial symbionts, and through the generation of the first whole-of-reef baseline for ocean acidification. We have implemented four successful pilot projects ranging from a novel test for detecting stress in corals, to a surface film for shading reefs, to the cryopreservation of 15 GBR corals by applying the same techniques used for human IVF treatments.

**Raine Island Recovery Project:** This Project aims to restore the world's largest green turtle rookery. Into its third year, this project has undertaken major island reprofiling works to increase the available nesting area for green turtles by 20%, resulting in enhanced nesting success and flow on effects to increased numbers of hatchlings of this endangered species. Adult turtle mortality has been reduced through the installation of fencing and engineering works undertaken to remove common areas of entrapment. In 2017 the Raine Island team witnessed the first recorded breeding observation in 30 years of the critically endangered Herald Petrel. Through this project we have also supported just under 600 days of paid employment for Traditional Owners, many of these for focused on building capacity of Indigenous Rangers.

**Delivering projects that address the priority needs of GBR managers:** The Foundation's selection criteria for projects (see Appendix 4) includes ensuring that projects align with the Reef 2050 Plan and associated publications. We co-design projects with Reef Managers and key end-users and ensure provide regular updates to reef managers as projects are delivered. We have GBRMPA representation on our International Science Advisory Committee and both current Foundation Project Directors have previously worked at GBRMPA, giving them a strong understanding of the needs of Reef management.

## **A global player, achieving global impact**

We are a global player achieving global impact in coral reef and ocean health, with a respected position and working relationships with key players and stakeholders in this sector around the world including s47G(1)(a) in the US. Around a third of donations to the GBRF are derived from international markets and for the first time the Foundation are in dialogue with some of the top conservation funding Foundations of the world s47G(1)(a). We are the Australian not-for-profit member of the International Coral Reef Initiative (ICRI), and our projects have global reach in addition to benefitting the GBR. The recently funded Resilient Reefs Initiative, which will implement high priority on-ground actions at five World Heritage-listed reef sites across the globe, including the GBR, provides a platform for sharing the outcomes of this Reef Trust Partnership for the benefit of the global coral reef community and vice versa.

## **Culture of innovation**

One of the Foundation's key objectives is to enable and promote a pipeline of new ideas, approaches and thinking around GBR protection. The Foundation has strong convening power, able to quickly draw in expertise from beyond the coral reef domain to drive new thinking, new approaches and innovation.

While much of this Partnership will focus on scaling up proven concepts, scaling itself often requires innovative approaches. We will ensure that innovation and new thinking is central to the Partnership including innovation in scaling, delivery models, stakeholder engagement, science and monitoring, and on-ground approaches and techniques. This will be supported by partnerships with innovation agencies such as s47G(1)(a), and organisations, including existing research and corporate partners, with established commercialisation processes.

To ensure a continued capability to harness and support innovative, relevant, urgent and high impact ideas brought to us through our network of scientists, entrepreneurs and creative thinkers, the Foundation has recently established an Innovation Fund. Its primary function will be to de-risk novel ideas or catalyse the transition from innovative research to in-field implementation. The funding will be distributed in a variety of ways, including co-investments to support research grant applications to specific innovation challenges, set out

to draw in expertise from outside the usual research and development sphere. This will be a great vehicle to complement and support the activities undertaken via the GBRF-Reef Trust Partnership.

Examples of our track record in innovation are provided below.

**RangerBot:** As the winner of the people's choice for the 2017 Google impact challenge, the RangerBot team has made a quantum technology leap from manual, or expensive acoustics-based, single-purpose solutions being used by most current underwater operations to a fully autonomous, multi-function solutions. The RangerBot has been developed to effectively detect and address threats to coral reefs such as:

- Coral Health – detection of bleaching and indicators of coral health;
- Water Quality – measurements of temperature, salinity, turbidity and pH; and
- Pests – detection and eradication of the coral eating Crown of Thorns starfish.

Google was instrumental in the development of elements of the RangerBot including the user interface and assistance with large-scale data management and storage given significant amounts of raw and processed imagery and real-time data is generated. It is the first in the world to employ 'deep learning' in real time in an underwater environment. Five prototype units have been developed and are being deployed for final user-testing in the GBR.

**Sunshield for the Reef:** The Sunshield for the Reef project was originally proposed at a workshop aimed to consider 'out-of-the-box' solutions to coral bleaching. The original concept was based on the idea of applying existing bio-polymer technology, used to stop evaporation from dams, to act as a sunshield for the reef. The project attracted interest from the Tiffany & Co Foundation, who co-funded the first two phases of this project. The project team has successfully developed a biodegradable, ultra-thin film that can be rapidly applied on the most threatened reefs in times of need. Laboratory studies show a 30% reduction in light penetration and reduced bleaching in the shielded corals. This represents a highly flexible and scalable approach to protect coral populations exposed to extreme temperatures, requiring only 100g of material to cover 100 m<sup>2</sup>. The team has recently been shortlisted as one of the successful candidates in the Advance Queensland innovation challenge to boost coral abundance on the Great Barrier Reef.

To ensure a continued capability to harness and support innovative, relevant, urgent and high impact ideas brought to us through our network of scientists, entrepreneurs and creative thinkers, the GBRF has set up an Innovation fund. Its primary function will be to de-risk novel ideas or catalyse the transition from innovative research to in-field implementation. The funding will be distributed in a variety of ways, including co-investments to support research grant applications to specific innovation challenges, set out to draw in expertise from outside the usual research and development sphere.

## **Effective communication**

The Foundation is a trusted voice for the GBR, heard and acted upon by a large and engaged audience. In the past four months Foundation-driven communications has reached a global readership of 98 million. In 2018 we will build on our demonstrated expertise and leadership in reef communication with new strategies including consumer facing partnerships that connect the Foundation with everyday Australians, launching an ambitious, public-facing fundraising campaign, investing in an expanded social media and digital strategy to drive reach and penetration, and connecting more directly to the on-ground tourism market.

Communications products will meet reef Trust branding guidelines and be targeted on a case by case basis to the wide range of audiences as appropriate.

## Strategic

The Foundation has three strategic drivers that underpin goals and actions across our operations:

- Accelerate impact – we must be confident, bold and ambitious, otherwise our efforts risk falling short;
- Connect and unite – the Foundation has an increasingly important role in connecting individuals, companies, funders, governments and research institutions in a collective effort to save the GBR;
- Bring hope – we seek to bring hope and optimism on the outlook for the GBR to encourage engagement across the community.

## 7. OPERATIONAL REQUIREMENTS

### 7.1 Audited financial statements [GG4- dot point 11]

Copies of audited financial statements for the two most recent consecutive financial years are provided in Appendix 5.

### 7.2 Evidence of successful contract fulfilment for other funding bodies [GG5 – dot point 12]

The Foundation has a solid track record of delivering quality outcomes on time and within budget (see Section 6.5), including the recently completed Resilient Reefs Successfully Adapting to Climate Change Program funded by DoEE. For this Program the Foundation undertook preparation work on a pro-bono basis so that projects were ready to commence immediately upon contract execution and utilised a stage-gate approach to manage risk and determine whether projects would continue, expand or cease. The final report for this Program is provided in Appendix 6.

References provided by QG, s47G(1)(a) and Google (see Appendix 7) attest to the Foundation's successful track record in contract fulfilment.

### 7.3 Evidence of capacity to comply with relevant laws [GG4 – dot point 13]

The Foundation has the capacity to comply with all relevant laws required to deliver this partnership and has policies and procedures in place to meet relevant requirements including those relating to WH&S, environment and anti-discrimination (see Appendix 9).

The Foundation ensures that all relevant permits are obtained before activities are undertaken in the Marine Park or the catchments.

### 7.4 Details of relevant organisational and personnel experience and capacity [GG – dot point 14]

- The Foundation's fundraising activities are led by Anna Marsden, who has over 20 years of experience in major gifts solicitation and stewardship. Over the past decade the Foundation has raised \$90 million from a combination of corporate, philanthropic and government funding. Of this amount, just under \$30 million was secured in 2017 and 2018 alone, s47G(1)(a), \$5 million from Lendlease, \$1 million from a private donor, \$650k from the Tiffany & Co. Foundation and \$8 million in matched funding from State and Federal governments. We also have a strong track record in leveraging funding at the project level, for example for the eReefs project the Foundation secured \$5 million of corporate funding and \$8 million of government funding, and used this to lever an additional \$20 million in co-investment from research organisations.
- The Foundation's project development and management activities are led by Theresa Fyffe who has been designing and managing complex multijurisdictional and multi-disciplinary national and international projects for the past 15 years, including a Bill & Melinda Gates funded Grand Challenges for Global Health



program and a \$110M Cooperative Research Centre. The Foundation manages a portfolio of projects ranging from the small and simple to the very large and complex, such as eReefs and the Raine Island partnership. We will be recruiting a team of skilled project managers to oversee the activities to be delivered under the Partnership, and will draw on our connections nationally and internationally to ensure that we assemble the best possible team. Theresa will be supported by a skilled team of Project Directors including s47G(1)(a)

CV's of listed staff are provided in Appendix 8.

## 7.6 Privacy declaration [GG-4 dot point 16]

The Foundation is able to comply with the Privacy Act 1988, including the Australian Privacy Principles, and impose the same privacy obligations on any subcontractors engaged to assist with the activity.

**Confidential Information in this proposal:** The Foundation declares that the names of individual staff and their CV's are confidential information and cannot be shared beyond the Australian Government.

## 7.7 Conflict of Interest Declaration [GG-4 dot point 17]

See section 11 Grant Guidelines – excerpt below

Any conflicts of interest could affect the performance of the Partnership. A conflict of interest, or perceived conflict of interest, arises where a person makes a decision or exercises a power in a way that may be, or be perceived to be, influenced by either a material (financial or non-financial) personal interest or relationship. For example, a conflict of interest may arise where:

- Commonwealth personnel or advisors have a personal relationship with a party which may influence the grant recommendation and approval process; or
- personnel of a successful grant recipient have a personal interest in, or relationship with an organisation which is likely to interfere with or restrict the grant recipient from carrying out the grant funded activities fairly and independently.

Conflicts of interest for Australian Government staff will be handled as set out in the Australian Public Service Code of Conduct (section 13(7) of the Public Service Act 1999).

At the time of writing this proposal the only perceived conflict of interest identified by the Foundation is that Russell Reichelt, a Director of the Foundation, is the Chairman and Chief Executive of the Great Barrier Reef Marine Park Authority (GBRMPA). Russell Reichelt is a member of the Foundation Board as an independent expert in his own right, not in his professional capacity as CEO and Chair of GBRMPA. However, this could be perceived as a conflict of interest as GBRMPA is likely to be a recipient of funds under the Partnership. The Foundation has clear and robust policies relating to conflict of interest in place which will ensure that Board members will not have the ability to influence any decision-making in relation to the activities of this project on the Great Barrier Reef. The process for managing conflict of interests is provided below:

- The Foundation has a 'Conflict of Interest Policy' and a current register of conflicts of interest for Directors and committee members is tabled as a standing agenda item at each Board meeting. Directors or committee members may not vote on matters affecting their own interests and are asked to leave the room for the duration of the agenda item being discussed and voted on.
- All decisions under a conflict of interest are recorded by the meeting Secretary and reported in the minutes of the meeting

- Where a director or committee member benefits from the decision, this is reported in the annual report in accordance with sound practice.
- Independent external mediation is used where conflicts cannot be resolved – this has not happened at the Foundation to date.

#### **7.8 Other Information - Due diligence data files and assessments**

s47G(1)(a)

## 8. PARTNERSHIP RISKS AND CONSTRAINTS

A draft table of key risks and mitigation strategies is provided below (Table 3). A detailed risk assessment will be undertaken for each component and subcomponent as part of the proposal development and sub-contracting processes.

The Foundation will appoint a Risk and Compliance officer who will be responsible for the development of a standard approach to all areas of compliance and audit. Areas of responsibility will likely include:

- » risk management
- » compliance, both operational and financial
- » business continuity and disaster recovery
- » fraud awareness and investigation
- » contracts management
- » audit, both internal and compliance
- » electronic document management and GRC (governance, risk and compliance) systems
- » corporate and other insurances
- » compliance breach management and reporting.

Table 3: Key Risks and Mitigation Strategies

Risk and key causes /sources	Risk treatment / mitigation
<p>Capacity, governance and capability challenges – <b>the Foundation’s capacity to scale, time to scale, ability to attract good people</b></p> <p><i>The rapid increase in operational scale for the Foundation poses significant capacity, governance and capability challenges. The Department and GBRMPA have capacity to assist the Foundation during the start-up phase, for example the potential secondment of staff to the Foundation.</i></p>	<p>A comprehensive 6-12 month transition plan for the Foundation is currently being drafted in consultation with a top tier consulting firm. As part of this process the established governance framework, committees and procedures will be reviewed.</p> <p>A number of candidates for key program and project management positions have already been identified. A recruitment firm will be engaged within the next month to manage the expansion of the team, including operational staff and executive positions. The Foundations’ Board and the Chairman’s panel will additionally recommend potential candidates for senior positions. This may be on a secondment basis in the first instance. The Foundation would welcome discussions with the Department on potential secondments to assist in the start-up phase.</p>



Risk and key causes /sources	Risk treatment / mitigation
	Membership of the Chairman's Panel, the Board and any other committees will be reviewed as needed to ensure they reflect the changing focus and needs of the Foundation.
<p>Loss of local capacity and momentum – on-ground projects are delayed in the short term</p> <p><i>The start-up phase could potentially delay delivery of on-ground projects, leading to loss of local capacity and momentum. The Department has capacity to assist the Foundation to implement transition arrangements while organisational capacity is being increased.</i></p>	<p>A plan and process for prioritisation of appointments to new and existing projects is under development. In some areas of water quality for examples it will be necessary to quickly secure or in some cases, retain the critical people and capability needed e.g. extension officers/agronomists.</p> <p>The assistance of the Department in implementing transition arrangements would be welcomed.</p>
<p>Workplace Health and Safety (WHS) risk – OH&amp;S compliance</p> <p><i>Activities funded through the Foundation will include on-ground or 'in-water' works (e.g. diving) with inherent safety risks. The Foundation will be required to ensure it has appropriate arrangements to manage any WHS risks that arise from the funding activities.</i></p>	<p>The Foundation regularly manages on-ground and 'in-water' projects and it complies with and goes beyond minimum compliance in relation to WHS. Acknowledging the challenges to risk practices and procedures as the organization scales up, an audit of the Foundation's risk management process in relation to WHS will be undertaken by an external provider as part of the transition plan. Many of our major funding and project partners are large industrial or resources companies with extensive in-field activities and the strictest WHS requirements – in effecting project partnerships with such companies the Foundation has met detailed WHS conditions needed for the projects to proceed.</p> <p>The necessary improvements in processes and procedures to eliminate health and safety risks, so far as is reasonably practicable, will be implemented. The Foundation aims to go beyond minimum compliance and provide the highest practical level of protection to its staff, and contractors as relevant, in relation to health and safety from hazards and risks arising from work that it commissions.</p>
<p>Reputational Risk; Communications Risk</p> <p><i>The Reef Trust partnership with the GBRF is high profile and there will be many interested followers of the progress under this partnership. Both the Foundation</i></p>	<p>The implementation of a comprehensive transition plan will go some way to mitigating the likelihood of reputational damage due to some failure of the</p>



Risk and key causes /sources	Risk treatment / mitigation
<p><i>and the Department(s) will be exposed to reputational risk should one or more elements or projects enabled by the Partnership, or some operational aspect of the Foundation in delivering on the Partnership fail or falter. The work of the Partnership will be of widespread public and media interest and debate. A major risk is the potential for misinformation and misunderstanding to occur.</i></p> <p>Stakeholder Expectations Risk</p> <p><i>Misalignment of expectations around the program as a whole is possible. There is a strong expectation that the Foundation will do things differently, more efficiently, effectively, and transform the space and there is a risk that the Foundation will not live up to these expectations in the short term</i></p>	<p>partnership, or the projects and operations of the Foundation in the first 12-18 months.</p> <p>For clarity and consistency, it is vital that the Foundation team speaks with a united voice and takes a thorough and systematic approach to communication. A communications strategy and protocols for the Reef Trust Partnership will be defined. It will identify communication needs, protocols, risks and opportunities, and outline the principles and methods by which key stakeholders and the public will be engaged. In relation to university research staff engaged on projects funded by the Foundation the principle of academic freedom remains.</p> <p>Whilst it will not be possible to engage all stakeholders in the design of the various elements and component of the program, the Foundation will take every opportunity to consult widely with stakeholder representatives during the transition phase in 2018.</p>
<p>Legal and Regulatory Risk</p>	<p>We will seek relevant approvals and ensure that the appropriate processes and checks are in place to ensure that the Foundation and its partners will meet or will not likely breach any relevant requirements and regulations. We regularly manage projects on the GBR in Australia and we also manage projects internationally. We already have the policies and procedures in place to meet compliance requirements for relevant national and international laws, including the plans, regulations and legislation that guides the GBRMPA.</p>
<p>Partnership Risk – that partnerships fail or degrade over time or that they are not effective enough to start delivery on programs and projects; that partnerships are not understood and prioritised in line with the objectives for the transition and the program over the six-year term</p>	<p>The Foundation has strong governance in place, as well as a proven track-record in creating and overseeing constructive partnerships that deliver good outcomes.</p> <p>Subcontracting agreements with delivery partners will have clear KPI's and deliverables, and Foundation Project Director's will ensure these are effectively monitored, as well as clear processes for conflict resolution should any partnership challenges arise. Risk will be further mitigating through the inclusion of project stage gates in project design.</p>

Risk and key causes /sources	Risk treatment / mitigation
	<p>Project Directors will need to have a proven track record in managing partnerships, and strong stakeholder engagement and negotiation skills.</p>
<p><b>Delivery Risk – projects don’t deliver expected outcomes for the GBR in the timeframe</b></p>	<p>We will assemble a small advisory group (leveraging existing governance bodies and existing information), to develop a discussion paper on the key issues for each component or program. Through very early conversations with key stakeholders we have identified a lack of delivery capacity in relation to on-ground water quality improvement programs as a major risk which will need to be considered when designing such projects. We will sponsor independently facilitated discussions with stakeholders, to collect data and feedback and to increase awareness of the program and the issues.</p> <p>Each project will be designed in a way that is measurable – with SMART goals, and a project-based MERIT plan that nests within the Partnership and Component MERIT Plans. Projects will deliver data to the Department to assist in reporting on the 2050 Plan. Reporting obligations (e.g. P2R reporting requirements for water quality improvement) will be included in sub-contracts.</p> <p>We are employing a monitoring and engagement specialist (already identified) to develop and implement an M&amp;E process and relevant impact measures. We will develop an assessment and reporting framework to identify and measure socio-economic benefits (or co-benefits) and to assess the cost-benefit of projects we administer. We will draw on the indicators developed in RIMREP and will leverage the learnings from the recent Reef Trust independent evaluation and previous ANAO report.</p> <p>To deliver projects with real and measurable impact we must be satisfied that the sufficient scientific evidence exists to attribute program activities to a positive outcome for the GBR. We have engaged the innovation agency Second Muse to ensure we have the right platform to create and encourage solutions that have lasting social and environmental impact.</p>



Risk and key causes /sources	Risk treatment / mitigation
	<p>We will ensure a mix of actions and interventions that have near and longer term positive impacts for the GBR. We believe that part of our role is to clearly demonstrate action, innovative approaches and 'early wins' and to bring hope for the GBR and pride in the contribution that Australia is making to the GBR. This is expected to encourage action and investment of time, cash and in-kind resources from within and outside Australia.</p>
<p>Investment and Leverage Risk – at times there will be a trade-off between investing in innovation and short-term delivery of new or existing activities; the investment and proposal assessment process does not meet the expectations of stakeholders; it is important that the opportunity to raise additional funds from national or international sources is maximized.</p>	<p>Whilst projects that are aimed at building long term reef resilience, it is critical that actions that have a near-term return or impacts are prioritised as appropriate.</p> <p>In managing the design and delivery of the various components the Foundation will provide opportunities for broad stakeholder engagement. The decision-making processes for investments must be open and transparent; and the proposal assessment criteria must be rigorous, robust, based on proper due diligence, and aligned with the Reef Trust objectives. Optimal solutions will be sought – ones that maximise benefits while minimizing negative consequences.</p> <p>The Foundation will develop strategies to boost funding from private, philanthropic and government sources in Australia and overseas and foster new partnerships to fund or deliver projects. This includes launching and implementing a \$100 million fundraising campaign, as approved by the Foundation's Board in March 2018. This also includes co-funding of planned programs or specific projects and activities made possible by the Reef Trust Partnership, but also for new work. The partnership will further raise the profile, presence and respect for the Foundation as a significant player globally – given our experience in international engagement we are very optimistic that significant leverage of the Reef Trust investment will be possible over the next 6 years and beyond. Apart from cash investments the Foundation will actively seek contributions in the form of high-value non-financial resources such as equipment and expertise. Such partnerships can also later lead to cash investments.</p>

## 9. STAKEHOLDER ENGAGEMENT

We recognise inclusive and balanced stakeholder participation and support is critically important to the development and implementation of this Partnership. There are two key phases to this program – a transition phase of 12 months which includes scaling up of the Foundation as an organisation, occurring concurrently with an intensive program and component design phase, followed by a five-year implementation phase. Separate stakeholder engagement strategies will be developed for each phase and for the implementation phase of each component.

There are numerous stakeholders and interests in the GBR and the Foundation's independent, apolitical and non-advocacy role as a connector in the sector is now more important than ever.

In delivering the Partnership, the Foundation will engage widely and listen to, and consider the ideas and concerns of stakeholders. It will regularly communicate what we are doing and planning at all levels, from the Reef 2050 IEP and RAC to Traditional Owners, scientific organisations, and relevant industry and community representatives.

The Foundation will develop and apply clear and consistent messaging. It will draw on advice from the Reef 2050 IEP and RAC and engage closely and collaboratively with relevant State and Commonwealth agencies in the management and delivery of projects. The Foundation is known for its openness, independence and willingness to consult and collaborate, and this culture will not change.

### **Proposed engagement process:**

The Foundation has a very large stakeholder network. This means that stakeholder engagement is central to everything we do, and it is standard practice for the Foundation to develop stakeholder plans for each project partnership that we enter into. This Partnership will be no different – it will just require a different scale of stakeholder engagement planning and delivery. The Foundation will engage a suitably qualified individual to:

- work with key organisations such as Department, DES, OGBR and GBRMPA to develop a detailed stakeholder map.
- use the map to develop a series of stakeholder plans – one for the partnership and each for each of the five components. These plans will detail who the key stakeholders are, who will drive engagement with each stakeholder and the key objective of engagement with each stakeholder.
- continuously review, refine and update the plans. The stakeholder plans will be reviewed every six months, although this is likely to be more frequent in the first twelve months

An initial high-level stakeholder map with key engagement stages and roles is provided overleaf (Table 4).



Table 4: High-level Great Barrier Reef Stakeholder Map

Who	Role			Stage			Project component				
	Adv	DP	F	Plan	Exec	MEA	WQ	COT	ENG	ReAd	MMR
GOV-A Reef 2050 Bodies	✓			✓		✓			✓		
GOV-A GBRMPA	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
GOV-A DoEE	✓		✓	✓		✓	✓	✓	✓	✓	✓
GOV-A DFAT	✓		✓	✓					✓		
GOV-A DIIS	✓		✓	✓		✓	✓			✓	✓
GOV-A Other	✓		✓	✓		✓	✓	✓	✓	✓	✓
GOV-Q DES, DITID, DAF, DATSIP	✓	✓	✓	✓		✓	✓		✓		✓
GOV-L LGAQ	✓			✓		✓	✓		✓		✓
GOV-L Reef Guardian Councils	✓	✓		✓	✓	✓	✓		✓		✓
TO IRAC	✓			✓		✓	✓	✓	✓	✓	✓
TO Groups	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓
NRM Collective	✓			✓		✓	✓		✓		✓
NRM Regional Bodies	✓	✓	✓	✓	✓	✓	✓		✓		✓
IND-T AMPTO	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓
IND-T TRAC	✓			✓		✓			✓		✓
IND-T Sector Rep Bodies	✓			✓		✓			✓		✓
IND-F QSIA, QSFR WG	✓		✓	✓		✓			✓		✓
IND-A AgForce	✓	✓	✓	✓	✓	✓	✓		✓		✓
IND-A QFF, Reef Alliance	✓		✓	✓		✓	✓		✓		✓
IND-A Canegrowers, Horti PBs	✓	✓	✓	✓	✓	✓	✓		✓		✓
IND-P QPA	✓			✓		✓			✓		✓
IND-Other (QRC)	✓			✓		✓			✓		✓
RES AIMS	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
RES CSIRO	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
RES JCU TropWATER	✓	✓	✓	✓	✓	✓	✓		✓		✓

Who	Role			Stage			Project component				
	Adv	DP	F	Plan	Exec	MEA	WQ	COT	ENG	ReAd	MMR
RES JCU ARC CoE Coral Reefs	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
RES RRC	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
RES QUT	✓	✓	✓	✓	✓	✓			✓	✓	
RES Southern Cross	✓			✓	✓	✓		✓	✓		✓
RES UQ	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
RES Other	✓	✓	✓	✓	✓	✓			✓	✓	
CONS WWF	✓		✓	✓		✓	✓		✓		✓
CONS AMCS	✓			✓		✓	✓		✓		✓
CONS Other	✓	✓		✓	✓	✓			✓		✓
COMM Citizen Science	✓	✓		✓	✓	✓			✓		✓
COMM Reef Guardians		✓		✓	✓	✓	✓		✓		✓
COMM LMACs	✓	✓		✓	✓	✓			✓	✓	✓
COMM Regional Partnerships		✓					✓		✓		✓
COMM Not-for-Profits	✓	✓		✓	✓	✓			✓		✓
COMM CareFish	✓				✓				✓		✓
COMM Other	✓	✓		✓	✓	✓			✓		✓
INT NOAA	✓		✓	✓		✓			✓	✓	✓
INT Uni of Hawaii	✓			✓		✓			✓	✓	✓
INT TNC	✓		✓	✓		✓			✓	✓	✓
INT ACIUCN/IUCN	✓			✓		✓			✓		✓

**Key:**

Adv – advisory; DP – Delivery Partner; F – Potential Funder; Plan – Planning; Exec – Execution; MEA – Monitoring, Evaluation, Adaptation

GOV – Government; TO – Traditional Owner; NRM – Natural Resource Management; IND-T – Industry Tourism; IND-F – Industry Fishing; IND-A – Industry Agriculture Sector; IND-P – Industry Ports; RES – Research; CONS – Conservation Sector; COMM – Community Groups; INT – International; QFF – Queensland Farmers' Federation

## **10. PROJECT MONITORING, REPORTING AND EVALUATION**

To ensure that investment and supported projects are making a difference to the GBR and that they are aligned with the Reef 2050 Plan and Investment Framework, a comprehensive monitoring and evaluation framework will be implemented to ensure continuous improvement in the design and delivery of projects and programs.

An over-arching Monitoring, Evaluation, Reporting and Improvement (MERI) plan for the Partnership will be developed within the first three months in close collaboration with the Department. Clear outcomes-based performance measures will be negotiated and agreed and will draw on insights from the ANAO Report 'Reef Trust – Design and Implementation. MERI plans for individual components and sub-components will be developed over time.

Independent, and typically mid-term and end-term, review and impact assessment, including broader assessment of co-benefits such as social return on investment, is a standard practice in all of the Foundations' programs, and will be key milestones in the Partnership Agreement. We act as needed on external assessments to improve programs, and we will share these reviews with the Department.

The Foundation is recruiting an expert in MERI and impact assessment s47G(1)(a) to ensure that programs are designed to incorporate appropriate measures from the beginning, and that the MERIT plans are conducted in accordance with best practice. The plan will need to respond to MERIT, Paddock to Reef and RIMREP and address the issues identified by the ANAO review and Reef Trust Evaluation.

## **10: APPENDICES**

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Appendix 2: Committee Charters and Memberships

Appendix 3: GBRF Portfolio – Resilient Reefs Successfully Adapting to Climate Change

Appendix 4: Great Barrier Reef Foundation Portfolio Strategic Focus

Appendix 5: Audited Financial Statements

Appendix 6: Final report from Resilient Reefs Successfully Adapting to Climate Change Program

Appendix 7: References from Foundation funders

Appendix 8: CV's of Key Personnel

Appendix 9: Due diligence data files and assessments

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# Appendix 1: Partnership Component high-level analysis, descriptions and linkages to existing activities



## **APPENDIX 1: PARTNERSHIP COMPONENTS**

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### **High Level Landscape Analysis**

#### **Process for the development and implementation of each component**

The indicative process for the delivery of each component is as follows:

- Stakeholders: identifying and mapping Traditional Owners and other stakeholders, and developing and implementing stakeholder engagement plans. Note: this will include how stakeholders will be engaged around each of the six following issues:
  - Governance: establishing component-level governance including expert advisory group and key stakeholder committees, using existing governance arrangements wherever possible.
  - Landscape assessment: identifying past and current activities, drawing on existing reviews wherever possible.
  - Investment opportunities: identifying a suite of potential investment opportunities consistent with Reef Trust principles.
  - Develop robust prioritisation criteria to prioritise investments
  - Develop 5-year road map and detailed year one annual workplan and investment strategy, including detailed M&E plans at the program, component and sub-component level
  - Implement investment strategy, monitoring, evaluating and adapting to respond to changing circumstances.

#### **High level principles**

- The Foundation is committed to undertaking a robust, transparent and inclusive investment strategy planning process
- Wherever practicable and feasible this partnership will complement and leverage existing programs and initiatives and will not duplicate efforts already underway.
- The Foundation is committed to embedding innovation into the investment strategy planning and delivery phases through strong partnerships with the private sector. This will be guided by an innovation strategy at both a program and component level
- The Program will be designed to identify, leverage and maximise opportunities for enhancing impact through integration across components (i.e. not a siloed approach)
- The Program will be designed to be responsive to changing circumstances and deliver timely and enduring outcomes in the context of a changing climate and an understanding of cumulative pressures



## **Partnership Component Initial Landscape Analysis**

### **1. Water Quality (\$201 million)**

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#### **Context:**

The water quality space is crowded and complex. There are many stakeholder groups, often with competing interests, and very significant government investment. The 2016 Alluvium Costings Report estimated that for the policy solutions and actions investigated, it would cost \$8.2 billion to meet the maximum water quality targets across four out of five catchments and make good progress towards the maximum targets in the Wet Tropics by 2025.

Looking at all these factors collectively it is clear that the investment made through this Partnership must be strategic and targeted and at an appropriate scale to make a meaningful contribution to the improvement of water quality in GBR catchments, alongside investments and activities being undertaken by others. It must also take in to account the current and potential future capacity of delivery partners (particularly extension staff and agronomists) which present a significant risk to the scaling-up of existing initiatives or commencing new delivery capacity-intensive activities.

#### **Scope:**

- Much of the activity in this Component will focus on scaling-up cost effective and proven approaches already identified or underway. The development of basin specific targets and regional water quality improvement plans provides for more targeted approaches and tailored interventions.
- Where there are strategic gaps and significant opportunity for maximising outcomes there will be an emphasis on innovative approaches spanning delivery models, driving behaviour change (e.g. incentives, supply chain levers), piloting new on-ground approaches and new technologies, and innovative financing solutions.
- This investment will be directed to activities that achieve load reductions in sediment, nitrogen or pesticides, or any combination thereof, with potential for achieving gains in cost-effectiveness (i.e. cheaper per tonne of pollutant reduced). Component activities will be a mix of large-scale on-ground programs, behaviour change programs, monitoring, science and innovative financing. The timeframe to achieve reductions in pollutant loads will also be an important consideration in project design and prioritisation.

#### **Key stakeholders:**

- Government: Commonwealth – Reef Branch and GBRMPA, Queensland Government (an effective partnership with the QG will be vital to the success of this investment); local government – Reef Guardian Councils
- Regional natural resource management (NRM) bodies
- Peak bodies – Canegrowers, graziers, banana growers, horticulture, QFF, Agforce
- NESP Tropical Water Quality hub and research organisations including CSIRO, AIMS, JCU – TropWATER, Central Queensland University
- NGO's and conservation sector: Greening Australia, World Wildlife Fund (WWF), Green Collar, TNC, South Endeavour Trust, Indigenous Land Partnerships
- Regional Partnerships



- Research and Development (R&D) and Corporate Partners

**Key documents:**

- The investment through this partnership into water quality will be guided by the draft Reef 2050 Water Quality Improvement Plan (including the regional Water Quality Improvement Plans). These documents draw on the best available science from the Scientific Consensus Statement, the Reef Water Quality Taskforce Report, the Alluvium Costings Report and the Development of basin-specific ecologically relevant targets for the GBR report
- Reef 2050 Plan Investment Framework

**Recognition of other activities:**

- The individual activities funded currently and previously in this space are too numerous to list. This provides an opportunity to draw on an enormous body of learning and gain a comprehensive understanding of past successes and failures. This landscape review will not start from scratch but will draw on previous reviews such as those undertaken through the Taskforce Report and Scientific Consensus Statement processes and current reviews such as the current NESP project reviewing nitrogen reduction programs, being undertaken by Sharyn Rundle Thiele and Jim Smart from Griffith University.
- Major current on-ground programs include:
  - The two Major Integrated Projects (MIPs)
  - Reef Programme projects
  - Reef Trust investments into gully and streambank remediation
  - RP161 – Complete nutrient management planning in cane
  - Reef Trust Reverse Tenders
  - Project Catalyst
  - Cane Changer
  - BMP Programs
  - Science in the Paddock Program
  - QG's Great Barrier Reef Innovation Fund
- There is also interest in innovative financing approaches such as nitrogen trading (WWF), Reef Credits (Terrain NRM and Green Collar) as well as TNC/Kilter Rural's Agricultural Renewal Investment Fund proposal.

**Recognition and leverage of existing governance arrangements:**

The Australian and Queensland Governments have well established committees and advisory groups that will be utilised to guide and advise this investment including:

- The *Executive Steering Committee* responsible for coordinating implementation of the Reef 2050 Plan across the Australian and Queensland governments
- The *Reef 2050 Advisory Committee* which provides water quality advice from stakeholders and links to management to guide the delivery of the plan.
- The *Reef Alliance*, a partnership co-ordinated by the Queensland Farmers' Federation, which includes members from industry, regional natural resource management bodies and the conservation sector. The alliance works to deliver on-ground actions across Reef catchments





against this plan and regional Water Quality Improvement Plans.

- *Regional partnerships* which provide local communities with information on the health of their waterways and to guide implementation of this plan and regional Water Quality Improvement Plans. Current partnerships include the Gladstone Healthy Harbour Partnership, the Mackay Whitsunday Healthy Rivers to Reef Partnership, the Wet Tropics Healthy Waterways Partnership and the Fitzroy Partnership for River Health. New partnerships are being formed to cover other Reef regions.
- *Reef Guardian Councils* (local councils along the GBR coast) have an important role in planning for sustainable population growth, approving environmentally sound developments and preparing the community for climate change impacts.
- The *Reef 2050 Water Quality Improvement Plan Independent Science Panel* provides scientific advice to inform adaptive management decisions and provides independent oversight of the GBR Report Card and the science underpinning it. The Independent Science Panel provides management advice to the Executive Steering Committee and feeds strategic advice through the Reef 2050 Independent Expert Panel to the Great Barrier Reef Ministerial Forum.

A number of working groups have also been established to coordinate technical aspects between researchers and managers including:

- Paddock to Reef Coordination and Advisory Group
- Research, Development and Innovation Coordination Group
- Sediment Working Group
- Nutrient Use Efficiency Working Group
- Pesticides Working Group
- Human Dimensions Working Group
- Reef Urban Stormwater Management Group.

#### **The Foundations' expertise/capacity:**

The Foundation leads the eReefs collaboration which has developed a suite of water quality tools. Through this project the Foundation convened the eReefs User Reference Group which included representatives from regional NRM's, QG, AG and research organisations. The Foundation will leverage its strong track record in effective project management in the delivery of this Component, and will engage with content experts as required. The Foundation has good relationships with all of the major stakeholders in this space via its membership and active participation in the RAC.

The Foundation has significant expertise in innovative financing mechanisms, including two current Board Members – Amanda McCluskey and Stephen Fitzgerald - who were members of the Commonwealth's Reef Innovative Financing Advisory Panel.

## **2. Crown-of-thorns Starfish Control (\$58 million)**

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### **Context:**

Crown-of-thorns starfish outbreaks are one of the major sources of coral mortality across the GBR, driving coral decline on a scale comparable to cyclones and severe bleaching events. However, unlike cyclones and bleaching events, COTS outbreaks can be predicted and controlled.

Consequently, reducing the potential for future COTS outbreaks and minimising the impacts of current outbreaks through targeted COTS control is one of the most scalable and feasible actions for reducing coral mortality and preventing further declines in system resilience. For this reason, '*Ramping up COTS*



control’ was identified as one of the ten key initiatives to build resilience in the Great Barrier Reef Blueprint for Resilience.

In the longer-term it is anticipated that COTS outbreaks will become less frequent as nutrient pollution to the GBR is further reduced (see Program Component 1: Water quality).

There are considerable Occupational Health and Safety and training considerations in the design and management of on-ground COTS control delivery which need to be addressed appropriately.

**Scope:**

- Consistent with measures outlined in the Reef Blueprint, this investment component will reduce coral losses from predation through a scaled up in-water control program as part of an integrated COTS management strategy.
- The strategy will encompass a combination of in-water COTS control activities, surveillance, monitoring, data analysis and synthesis to better target control programs and innovative science (e.g. early detection, novel higher efficiency culling methods and automation).
- COTS control efforts could be increased beyond sites of high tourism value to incorporate sites of high ecological value – particularly those essential to reef resilience (see the Reef Blueprint ‘*building a resilience network*’ initiative).
- This program will build on investments in the existing COTS control program and complement work occurring in the catchment to improve water quality and reduce the long-term risk to the GBR from COTS.

**Key stakeholders:**

- Government: GBRMPA
- Current delivery partners: RRRC, AMPTO
- Research organisations: CSIRO, AIMS (coordinated through the NESP Tropical Water Quality Hub), ARC Centre of Excellence Coral Reef Studies, Southern Cross University/National Marine Science Centre, UQ
- Tourism operators
- Research and Development (R&D) and Corporate Sector

**Key documents:**

- Great Barrier Reef Blueprint for Resilience, initiative 3 ‘*ramping up crown-of-thorns starfish control*’
- Westcott, D.A., Fletcher, C. S, Babcock, R., Plaganyi-Lloyd, E. (2016) *A Strategy to Link Research and Management of Crown-of-Thorns Starfish on the Great Barrier Reef: An Integrated Pest Management Approach*. Report to the National Environmental Science Programme. Reef and Rainforest Research Centre Limited, Cairns
- Fletcher, C.S. and Westcott, D.A. (2016) *Strategies for Surveillance and Control: Using Crown-of-Thorns Starfish management program data to optimally distribute management resources between surveillance and control*. Report to the National Environmental Science Programme. Reef and Rainforest Research Centre Limited, Cairns
- Crown-of-thorns starfish Long-term Integrated Management Framework (draft in prep), GBRMPA
- Crown-of-thorns starfish control guidelines, GBRMPA 2017

**Recognition of other activities:**



- Regulation and management: GBRMPA is responsible for the regulation and overarching management of COTS in the Marine Park. It assesses and manages the threat from COTS in the context of factors influencing the GBR and actions to enhance resilience. GBRMPA regulates permissions for COTS control and recently released updated Crown-of-thorns starfish control guidelines.
- Surveillance and monitoring: the joint Commonwealth and QG Field Management Program undertakes extensive broad-scale surveillance of COTS populations on individual reefs. Monitoring also occurs through the AIMS long-term monitoring program and by tourism operators at a number of sites. Data from these surveys are shared with dive teams culling the starfish, helping to direct efforts and resources. Researchers, tourism operators and the public also provide sightings of COTS through GBRMPA's Eye on the Reef program.
- Current COTS control efforts: The current COTS control program is administered by GBRMPA, with RRRC playing an oversight role for the initial boats. There are currently two COTS control boats operated by AMPTO (Association of Marine Park Tourism Operators) under contract with RRRC, with a third boat expected to be deployed soon. A tender, administered by GBRMPA, will include the selection of additional delivery partners to expand the COTS control program in 2018.
- Research: A significant amount of research on COTS is being undertaken by: AIMS, CSIRO, JCU, UQ, National Marine Science Centre/Southern Cross University, Reef and Rainforest Research Centre (RRRC).

#### **Recognition and leverage of existing governance arrangements:**

Currently GBRMPA manages the COTS control program on behalf of the Commonwealth Government. GBRMPA convenes a COTS Steering Committee comprised of GBRMPA and Queensland Parks and Wildlife Service representatives, and the RRRC convenes an integrated pest management science group. The expansion of the COTS program is being informed by a scientific forum comprised of leading COTS scientists from throughout Queensland. GBRMPA is examining options to continue and formalise this forum which most recently met on 20 March 2018.

#### **The Foundations' expertise/capacity:**

The Foundation will leverage its extensive project management experience in science, surveillance and on-ground projects to deliver this Component of activity. The Foundation has been funding and overseeing the RangerBot project for the last 18 months. The relevant content experts will be engaged when required.

### **3. Reef Restoration and Adaptation Science (\$100 million)**

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#### **Context:**

Recent bleaching events, cumulative pressures, and climate change trajectories have necessitated a different approach to managing coral reef ecosystems. In the past, efforts have been focused on measures designed to protect values (e.g. Zoning Plan) or mitigate risk. A defining characteristic of management moving forward, is adopting additional measures to support reef recovery.

Restoration methods have been developed and tested in other regions of the world, however, they have not been widely applied to the GBR. While existing techniques are generally only feasible at small spatial scales, coral restoration techniques have the potential to make a significant contribution to resilience-based management of the GBR and there is scope to develop new techniques that can assist recovery of reef habitats at larger scales.



Beyond ecological benefits, restoration can also provide opportunities for communities and industries to participate in practical efforts to improve locally-valued reef sites. In doing so this can help to build community and industry resilience.

At the 2016 Chairman's Panel event convened by the Foundation it was agreed that GBRF, GBRMPA and AIMS would join forces to commence scoping a large-scale GBR restoration program which would focus on overcoming the current roadblocks to restoring reefs at scale and cost-effectively. This partnership was successful in influencing the Innovation and Science Australia 2030 Innovation Plan to include Reef Restoration as a potential National Mission for Australia, and in securing \$6 million from the Department of Industry, Innovation and Science (DIIS) for a definition phase project to design a program of activities relating to reef restoration and adaptation.

**Scope:**

Active interventions to address climate impacts: implementing the science regarding thermally-tolerant corals; coral translocation; spawning of resilient corals; artificial reefs.

This component will support implementation of the Reef Restoration and Adaptation Program (RRAP) being scoped by a collaboration involving AIMS, the Foundation, GBRMPA, UQ, CSIRO, QUT and JCU.

**Key stakeholders:**

- Research organisations, including AIMS, CSIRO, UQ, QUT and JCU
- International experts: The Nature Conservancy (TNC), National Ocean Atmospheric Agency (NOAA), University of Hawaii
- GBRMPA: regulatory approvals, policy guidance, management advice, coordination with the field management program and access to community and Traditional Owner networks
- Potential commercialisation partners
- Government: DIIS including Innovation, Science Australia
- Research and Development (R&D) and Corporate Sectors

**Key documents:**

- Roadmap and investment strategy arising from the current scoping program being coordinated by AIMS
- ISA Report – Australia 2030, Prosperity through Innovation

**Recognition of other activities:**

The collaboration that is scoping the RRAP program (funded by DIIS) brings together experts representing all existing related activities within Australia. The Foundation is leading international scoping to ensure a global perspective informs the final roadmap and investment strategy.

**Recognition and leverage of existing governance arrangements:**

The Foundation will work with existing collaboration partners to develop appropriate governance arrangements.

**The Foundations' expertise/capacity:**





The Foundation is one of three founding partners of RRAP alongside AIMS and GBRMPA. This is one of the key strategic priorities within our current Strategic Plan. Over the last decade the Foundation has funded much of the research activities in this space and has strong in-house expertise through the Project Director of this initiative, Dr Petra Lundgren.

The Foundation prepared the submission to ISA which led to the inclusion of Reef Restoration as a potential National Mission for Australia.

#### **4. Indigenous and Community Reef Protection Actions (\$22 million)**

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##### **Context:**

Engaging the community, including Traditional Owners, and fostering strong stewardship of the GBR is an essential component of any program undertaken on the reef. Inclusive approaches which consider the ecological social, cultural and economic dimensions of challenges facing the GBR are likely to be more broadly supported by communities and have increased prospects of resulting in positive and lasting change.

Effective engagement underpins collaborative and integrated approaches – which are critical to success given the complex and multi-disciplinary nature of issues affecting the GBR and the range of Traditional Owner and stakeholder aspirations and interests.

Importantly, effective engagement promotes understanding and underpins trust between all parties. It provides a foundation for productive working relationships and is a key ingredient for practice change, the uptake of alternatives and paradigm shifts.

Accordingly, ‘*Empowering people to be part of the solution*’ was identified as a key precursor to building the resilience of the GBR and reef-dependent communities in the [Great Barrier Reef Blueprint for Resilience](#).

##### **Scope:**

- Traditional Owner and community engagement
- A combination of Traditional Owner and community education, capacity building and employment (via Indigenous Ranger Programs) activities.
- This program will focus on engagement activities to support implementation of all investment components outlined in this document, initiatives such as those detailed in GBRMPA’s Blueprint for Resilience, and other initiatives identified or developed through the scoping activities associated with this component. .
- Note the term ‘community’ is used to refer to GBR stakeholders broadly including – but not limited to industry, NGO’s, businesses, the scientific community and conservation groups. Traditional Owners form part of the GBR community however are not referred to as ‘stakeholders’ in recognition of the inherent rights, obligations and interests of Traditional Owners.

##### **Key stakeholders:**

- Traditional Owners, including GBRMPA’s [Indigenous Reef Advisory Committee](#)
- Peak bodies as represented on the [Reef 2050 Reef Advisory Committee](#)
- [Citizen Science Alliance](#): a collective with representatives from GBR citizen science groups including Tangaroa Blue and Reef Check.



- Government: Commonwealth: GBRMPA – [Reef Guardians](#) and Eye on the Reef Programs, DP&C (Indigenous Ranger Program), DFAT: [Queensland Government](#) – DES Ranger Program; Dept of Agriculture and Fisheries; Department of Environment and Science; Local Government – [Reef Guardian Councils](#)
- [Science community](#) as represented on by program delivery institutions for the [Reef 2050 Integrated Monitoring, Modelling and Reporting Program](#) and individuals on the [Reef 2050 Independent Expert Panel](#)
- [Reef 2050 Reef Advisory Committee](#) and [Reef Alliance](#) (members include regional NRMs, industry peak bodies and NGOs)
- [Tourism sector](#), including GBRMPA's [Tourism Reef Advisory Committee](#)
- Fishing sector, including forums established as part of the [Queensland Sustainable Fisheries Strategy](#) and [Reef Guardian Fishers](#)
- GBRMPA [Local Marine Advisory Committees](#) for community and place-based engagement
- Reef catchment [Natural Resource Management](#) bodies and Reef 2050 Water Quality Improvement Plan committees
- [Great Barrier Reef Blueprint for Resilience](#) partners and participants (see final page for list of organisations).

#### **Key documents:**

- [Reef 2050 Plan](#)
- [Reef 2050 Plan Advisory Bodies – Terms of Reference and Membership](#)
- [Reef 2050 Indigenous Implementation Plan](#)
- [Traditional Owners and Sea Country in the Great Barrier Reef – Which way forward?](#)
- [Tropical Water Quality Hub Indigenous Engagement and Participation Strategy](#)
- [Great Barrier Reef Blueprint for Resilience](#) – initiatives 1 'building a resilience network', 2-7 'delivering on-ground actions to enhance resilience' and 'empowering people to be part of the solution' and initiative 10 'building awareness and support for fostering change'.
- [GBRMPA partners](#)

#### **Recognition of other activities:**

##### **Indigenous**

- RRRC is managing an Indigenous Reef 2050 Plan project, with phase 1 due for completion in October 2018. From initial discussions with RRRC this is likely to provide access to a coordinated governance mechanism for prioritising potential projects for investment.
- Indigenous Ranger programs (land and sea country focused) – funded via DP&C, QG or NGO's such as TNC and Pew Foundation, and corporates such as BHP and Rio Tinto.
- GBRMPA manages the land and sea country Indigenous partnerships program and Traditional Use of Marine Resources Agreements (TUMRAs) between Traditional Owners, GBRMPA and the QG.

##### **Community**

- GBRMPA coordinates the largest community engagement program through Reef Guardians which engages with schools, councils, farmers and graziers and fishers, and the Eye on the Reef Program.



- Citizen Science: there are a large number of citizen science groups and community groups undertaking *ad hoc* activities along the GBR.
- NRM bodies and healthy waterways partnerships bring stakeholders together at a regional level with a focus on improving catchment water quality and ecosystem functions for the GBR.

**Recognition and leverage of existing governance arrangements:**

- Any coordinated governance mechanism arising from the RRRC Indigenous Reef 2050 program could be leveraged, along with GBRMPA's IRAC.
- GBRMPA's LMAC's could be utilised for the delivery of place-based projects and on-ground activities to reduce cumulative impacts and build resilience on the GBR.
- GBRMPA's Reef HQ and Reef Guardian Program, including school, fisher and council programs could be utilised for the delivery of education and stewardship activities and to support and champion the on-ground delivery of investment components.

**The Foundations' expertise/capacity:**

Indigenous: The Foundation is recruiting an Indigenous Affairs/Engagement specialist to lead the Indigenous engagement activities. The Foundation currently oversees Traditional Owner relationship management and engagement for the Raine Island Recovery Program, and with assistance from experts in Indigenous Affairs from our corporate network, have established a highly functional and positive partnership with all Traditional Owner groups within the Raine Island ILUA. The Foundation also funds an Indigenous junior ranger coordinator position within QG, and has provided funds for Junior Ranger camps in Cape York.

Community: The Foundation established the GBR Citizen Science Alliance (with funding for three years from Boeing Australia) and through this has worked closely with all citizen science and community groups associated with the GBR. The Foundation has funded capacity building programs for these groups and founded the Reef Blitz initiative. The Foundation is actively involved in community outreach events such as World Science Festival, regional agricultural shows and the 2018 Commonwealth Games.

## **5. Reef Integrated Monitoring and Reporting (\$40 million)**

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**Context:**

A comprehensive and up-to-date understanding of the GBR, its values, the processes that support it and the pressures that affect it is fundamental to protecting and restoring the GBR and making informed decisions.

A key commitment under the Reef 2050 Plan is the establishment of an integrated monitoring, modelling and reporting program for the GBR and adjacent catchment (RIMREP). Its purpose is track the progress towards targets, allow the early detection of changes in the GBR's environment, assess risk, and ensure investments are focused on actions that will have maximum impact and value.

GBRMPA is leading development of the Program's marine component and the Queensland Government is leading the catchment component. The Program covers all aspects of the GBR's environment including its natural and physical attributes, heritage values and its social, economic and cultural aspects.



Work-to-date includes: an audit of existing programs, identification of gaps and development of overarching program design; the development of reporting products and protocols for information use, including sensitive information; and the development data management systems with monitoring data being made publicly available in stages for each of the Reef 2050 Plan's seven on GBRMPA's website.

Recent bleaching events have highlighted the need for timely and salient information to inform management responses and the [Great Barrier Reef Blueprint for Resilience](#) emphasised the importance of forecasting tools to ensure decisions are made in the context of a changing climate and an understanding of cumulative risks, together with monitoring and diagnostic tools to adjust actions.

**Scope:**

- Support the delivery and operationalisation of the RIMREP, including Paddock to Reef, to track progress towards targets under the Reef 2050 Plan's seven themes, inform Outlook Reporting and to drive adaptive management.
- Support the coordination, alignment and integration of existing marine and catchment monitoring, modelling and reporting programs to capitalise on existing program investment, provide value for money, improve efficiency and ensure no duplication of effort.
- Support initiatives that drive innovation in monitoring, modelling and reporting to reduce costs, increase coverage and improve accessibility and timeliness of data for GBR managers and the public.

**Key stakeholders:**

- Government: DEE and GBRMPA with responsibility for the marine component of RIMREP and the Queensland Government regarding catchment monitoring, modelling and reporting
- [Reef 2050 Integrated Monitoring, Modelling and Reporting Program](#) delivery partners
- Traditional Owners
- Citizen science, community organisations, tourism operators and GBR users
- Reef 2050 Water Quality Improvement Plan Partnership Committee and Paddock to Reef Coordination and Advisory Group, Reef Alliance and Regional Partnerships
- Regional NRM's
- Research and Development (R&D) and Corporate Sector
- International bodies incl. NOAA

**Key documents:**

- [Reef 2050 Integrated Monitoring and Reporting Program Strategy](#)
- [Integrated Monitoring Framework for the Great Barrier Reef World Heritage Area](#)
- [Paddock to Reef Integrated Monitoring, Modelling and Reporting Program](#)
- [Great Barrier Reef Marine Park Authority Science Strategy and Information Needs 2014-2019](#)
- [Great Barrier Reef Blueprint for Resilience – initiative 9 'developing decision-support systems'](#)
- RIMREP draft program design document to be presented to the RIMREP Steering Committee at the end of June 2018.
- RIMREP final program design document to be delivered by end of 2018

**Recognition of other activities:**





- All major existing monitoring, modelling and reporting activities are captured within RIMREP, including the Paddock to Reef Program

**Recognition and leverage of existing governance arrangements:**

Existing governance arrangements include:

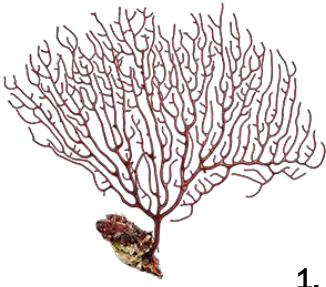
- RIMREP working groups for Program Design, Data Management and Systems, and Synthesis and Reporting and experts engaged in RIMREP Program Design.
- Paddock to Reef Program committees and advisory groups involving governments, industry bodies, regional natural resource management bodies, landholders and research organisations.
- Collaborations between GRBMPA and Traditional Owners regarding cultural protocols and data management systems.
- Citizen Science Networks (including the Citizen Science Alliance and 'Eye on the Reef') and engagement programs with GBR users to drive innovations in data capture, analytics and user-friendly data interfaces.

Note – existing governance arrangements for RIMREP are currently focussed on Program establishment and will need to be reviewed and adapted as the Program transitions to a fully operational GBR knowledge system.

**The Foundations' expertise/capacity**

The Foundation is a member of both the Program Design and Synthesis and Reporting Working Groups of RIMREP. The Foundation has prior experience developing, funding and managing innovative reef monitoring research programs, and provided funding support and oversight to monitoring activities to assess GBR recovery post the 2016 bleaching event.

## Appendix 2: Committee Charters and Memberships



- |                          |                         |
|--------------------------|-------------------------|
| 1. Dr John A Schubert AO | 8. Grant King           |
| 2. Anna Marsden          | 9. Amanda McCluskey     |
| 3. Dr Paul Greenfield AO | 10. John Mulcahy        |
| 4. Michael Cameron       | 11. Dr Russell Reichelt |
| 5. Maureen Dougherty     | 12. Steven Sargent      |
| 6. Stephen Fitzgerald    | 13. Phillip Strachan    |
| 7. John Gunn             | 14. Olivia Wirth        |

#### **Dr John A Schubert AO – Chairman**

John was appointed Chairman of the Great Barrier Reef Foundation in 2004. He is Chairman of Garvan Institute of Medical Research and a Member of the Business Council of Australia.

He commenced his career with Esso Australia as a professional engineer holding various positions in Australia and overseas. In 1983 he was appointed to the board of Esso Australia, in 1985 John became Esso's Deputy Managing Director and in 1988 Chairman and Managing Director.

He has also held the positions of Managing Director and Chief Executive Officer of Pioneer International Limited (1993-2000) and President of the Business Council of Australia (2001 - 2003).

He was previously Chairman of the Commonwealth Bank of Australia and Worley Parsons Limited, and Director of BHP Billiton Limited, Qantas Airways and Hanson.

#### **Anna Marsden – *Managing Director***

Anna has worked extensively across the Queensland creative and not for profit industries in managerial, marketing and business development roles for nearly two decades.

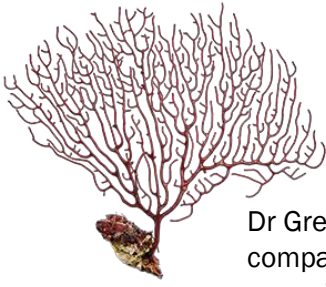
Before taking up the role of Managing Director in 2016, Anna was CEO of Queensland Ballet where she led a major change program resulting in enormous growth.

She previously held roles as General Manager – Creative at Rowland, Australia's leading corporate communications agency, Development Director of the Queensland Art Gallery and GoMA, and General Manager at the Institute of Modern Art. Anna holds board positions with Brisbane Festival, Brisbane Powerhouse and Circa.

#### **Dr Paul Greenfield AO – *Chairman, International Scientific Advisory Committee***

Dr Greenfield is a former Chair of the Australian Nuclear Science and Technology Organisation (ANSTO). Apart from chairing the CRC for High Performance Soils, he chairs the International River Foundation. He is both a Foundation Board member and chair of its International Scientific Advisory Committee.

He is a chemical engineer who worked at the University of Queensland for more than 35 years, holding senior roles including Deputy Vice Chancellor (Research), Senior Deputy Vice Chancellor and Provost and Vice Chancellor (2008 – 2011).



Dr Greenfield has extensive experience as a Board Director and has served on a number of company and CRC boards. He has worked widely with industry on a range of projects spanning the biotechnology, water and energy sectors.

#### **Michael Cameron**

Michael was appointed CEO & Managing Director of Suncorp in October 2015. He was a non-executive director from April 2012 to September 2015.

He was previously CEO & Managing Director of The GPT Group (2009 – 2015), Chief Financial Officer at St George Bank from mid-2007 until the sale to Westpac Banking Corporation in 2008, Group Chief Financial Officer of the Commonwealth Bank of Australia, then Group Executive of their Retail Bank Division.

He also spent 10 years with Lendlease in a number of senior positions, including Chief Financial Officer at MLC Limited. He is Chairman of the Financial Sector Advisory Council.

Michael holds a Bachelor of Business, is a Fellow of the Australian Institute of Chartered Accountants, CPA Australia and the Australian Institute of Company Directors.

#### **Maureen Dougherty**

Maureen Dougherty is president of Boeing Australia, New Zealand and South Pacific. She is the senior company leader in the Oceania region and coordinates all Boeing activities, leads government relations and directs the implementation of Boeing's strategy to expand its local presence and grow the business. Appointed in February 2014, Dougherty is based in Sydney, Australia.

A 35-year employee of Boeing, Dougherty previously served as vice president and program manager for the KC-46 Tanker, the Airborne Early Warning & Control (AEW&C) surveillance aircraft, and the F-22 fighter programs.

Dougherty is chairperson of the American Chamber of Commerce in Australia and a board director of the United States Studies Centre at the University of Sydney. She is also a member of the Business Council of Australia and a Fellow of the Royal Aeronautical Society.

Dougherty earned her master's degree in engineering from the University of Washington, where she studied as a Boeing Company Systems Engineering Fellow. She received her undergraduate degree in mechanical engineering from Pennsylvania State University.

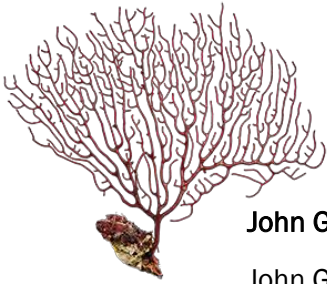
#### **Stephen Fitzgerald**

Stephen is Chairman and Founding Partner of Affirmative Investment Management, the world's first dedicated green and impact bond fund management company.

Previously, Stephen was Chairman of Goldman Sachs, Australia and New Zealand, having joined the firm in 1992 and been named Partner in 2002.

Stephen is a member of the NSW Government Expert Advisory Panel on Social Impact Bonds, serves on the boards of QBE and PineBridge, and is a former member of the Board of Guardians of the Future Fund (Australia's sovereign wealth fund). Since its inception in 2010, Stephen has also been a member of the Male Champions of Change.





### **John Gunn**

John Gunn is the former Chief Executive Officer of the Australian Institute of Marine Science (AIMS). John has significant experience in leading development of strategy, scientific research and capability, and stakeholder engagement across a research portfolio encompassing marine ecology, fisheries, coastal systems, physical and chemical oceanography, atmospheric chemistry and climate science. John joined AIMS from the position of Chief Scientist of the Australian Antarctic Program, where he played a key role in developing the Australian Antarctic Science Strategy Plan: 2011–2021. Prior to this, John was Deputy Chief of CSIRO's Marine and Atmospheric Research Division.

John has broad experience on high level advisory and policy development boards and Advisory Committees, including the UNESCO – IOC Global Ocean Observing System Steering Committee, the National Marine Science Committee, and Australia's Integrated Marine Observing System Board.

### **Grant King**

Grant King was elected President of the Business Council of Australia in November 2016.

He was a member of the Business Council Board from November 2011 until November 2015 and chaired the Business Council's Infrastructure and Sustainable Growth Committee from 2010 to 2015.

Grant has extensive experience in the Australian energy industry. He was Managing Director of Origin Energy Limited from February 2000 until November 2016. He was formerly General Manager, AGL Gas Companies where he held a number of management positions over a 17 year period.

In addition to his role at the Business Council, he is the Chairman of Melanoma Institute of Australia, a Director of Great Barrier Reef Foundation, a member of UNSW and runs his own advisory business, GK Advisory Pty Ltd.

He is former Director of Envestra Limited and the Australian Petroleum Production and Exploration Association Limited (APPEA). He is former Chairman of Energy Supply Association of Australia (esaa), Oil Company of Australia and Contact Energy Limited.

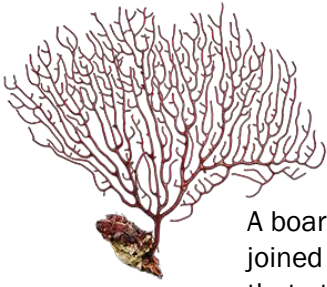
He is a Fellow of Australian Institute of Company Directors.

### **Amanda McCluskey**

Amanda is the Head of Sustainable Funds Group and Chair of Stewart Investors where she is responsible for leading and supporting the investment strategy and research process. Prior to this, Amanda was Head of Responsible Investment at Colonial First State Global Asset Management and also gained fund management experience at Portfolio Partners and BT Financial Group.

She was the founding Deputy Chair of the Investor Group on Climate Change, was on the board of the National Climate change Adaptation Research Facility and the Climate Change and Business Centre. Amanda was one of the first Australians to participate in the Al Gore Climate Leadership Program and is also a World Economic Forum Young Global Leader.

### **John Mulcahy**



A board member since 2006, John is the former CEO and Managing Director of Suncorp. He joined Suncorp following a distinguished career at the Commonwealth Bank, and prior to that at Lendlease where he was CEO of Lendlease's Civil & Civic division. John is Chairman of Mirvac Group and Non-Executive Director of ALS and GWA.

#### **Dr Russell Reichelt**

Russell joined the Great Barrier Reef Marine Park Authority in 2007 as Chairman and Chief Executive. He is a board member of the Australian Maritime Safety Authority.

He began diving on the Great Barrier Reef in 1968 and worked as a research scientist at the Australian Institute of Marine Science in the 1980s studying the ecology of coral reefs, particularly the crown-of-thorns starfish. He has a PhD in marine science and has served as CEO of the Australian Institute of Marine Science, Chairman of the Fisheries Research and Development Corporation, and as a member of Australia's State of the Environment Committee.

He has previously chaired the National Oceans Advisory Group, CSIRO's Wealth from Oceans Flagship Advisory Committee and Seafood Services Australia Ltd. He is an Adjunct Professor at James Cook University and the University of Queensland; and a Fellow of the Australian Academy of Technological Sciences and Engineering, the Institute of Marine Engineering, Science and Technology (UK), and the Australian Institute of Company Directors.

#### **Steven Sargent**

Steve joined the Foundation Board in March 2015. He is a Non-executive Director of Origin Energy Ltd, Chairman of the Origin Foundation. Steve is also Chairman of OFX Group Ltd (since November 2016) and is a Deputy Chairman and Lead Non-executive Director of Nanosonics Ltd.

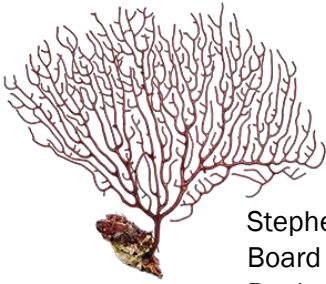
Over recent years Steven has been a Non-executive Director of Veda Group Limited (2015–2016) and Bond University Ltd (2010–2016). Steve was also a member of the Australian Treasurer's Financial Sector Advisory Council, President of the American Chamber of Commerce and a Director on the Board of the Business Council of Australia.

Steve's most recent executive role was President and Chief Executive Officer of GE Mining, GE's global mining technology and services business. Prior to this Steve was responsible for all of GE's operations (Aviation, Healthcare, GE Capital, Transportation, Power & Water, Energy Management) across Australia and New Zealand, GE's third largest country in the world. He joined GE Capital in 1993 in New York City and held a number of global leadership positions with the company, spanning the US, Europe and Asia.

#### **Stephen Roberts**

Stephen began his career with Salomon Brothers in 1985 in Sydney and in 1989 was responsible for opening and heading the firm's Melbourne office.

In 1992, he transferred to London as Director of European Capital Markets. In 1995 Stephen moved to Hong Kong with responsibility for all of the company's regional fixed income activities prior to returning home in 2003 to his current role.



Stephen is an Adjunct Professor of Finance at the University of Sydney and sits on the Board of Advice to the Faculty of Economics and Finance. He is a Director of the Australian Bankers' Association and is Citi's representative on the Business Council of Australia and the Bradman Foundation. He is also a member of the "Male Champions of Change".

#### **Phillip Strachan**

A Director of the Foundation since 2003, Phillip is Chair of the Audit, Risk & Compliance Committee and member of the Bond Committee. He spent 35 years working for the Rio Tinto Group in numerous finance roles including in the head offices in London and Melbourne and also in Jakarta, Indonesia. He was Chief Financial Officer at Rio Tinto Aluminium for six years based in Brisbane, then Chief Financial Officer at Rio Tinto Alcan based in Montreal. He then became President and CEO of the Bauxite and Alumina global business unit of Rio Tinto up to his retirement from Rio Tinto in 2016.

He is a current Director of Tilt Renewables Limited and is Chair and Director of Queensland Rail Limited.

Phillip is a Fellow of CPA Australia and a member of AICD.

#### **Olivia Wirth**

Olivia Wirth was appointed as Chief Executive Officer of Qantas Loyalty in February 2018.

Olivia joined Qantas in 2009 and has held several positions, including the role of Chief Customer Officer, Group Executive, Brand, Marketing & Corporate Affairs and Group Executive for Government Relations and Corporate Affairs.

Prior to Qantas Olivia had held senior executive roles for a number of organisations including lobby group, the Tourism & Transport Forum and the Australian Tourist Commission.

Olivia is also on the Board of UNICEF Australia.



#### ISAC Membership:

1. Dr Paul Greenfield AO - ISAC Chair and Great Barrier Reef Foundation Board
2. Professor Aidan Byrne - Provost and Senior Vice-President, University of Queensland
3. Professor Chris Cocklin - Senior Deputy Vice Chancellor (Research & Innovation), James Cook University
4. Mr Paul Hardisty - Chief Executive Officer, Australian Institute of Marine Science
5. Professor Bronwyn Harch - Executive Director - Institute for Future Environments, Queensland University of Technology
6. Professor Ove Hoegh-Guldberg - Director Global Change Institute, University of Queensland
7. Ms Anna Marsden - Managing Director, Great Barrier Reef Foundation
8. Mr Russell Reichelt - Executive Chairman, Great Barrier Reef Marine Park Authority
9. Dr Christian Roth - Research Director, CSIRO
10. Mr Steve Sargent - Director, Great Barrier Reef Foundation Board
11. Dr John Schubert - Chairman, Great Barrier Reef Foundation Board

#### Audit, Risk and Compliance Committee Membership:

1. Phillip Strachan *Director and Audit & Risk Committee Chair – Queensland Rail*
2. Clayton Herbert – former Chief Risk Officer Suncorp
3. Trevor Mahoney – PwC Partner
4. Anthony Rose - CFO Bank of Queensland





# ISAC Committee Charter

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## Preamble

The International Scientific Advisory Committee (ISAC) was formed by the Board of the Great Barrier Reef Foundation to provide it and Foundation management with scientific advice.

ISAC brings together the leaders of the GBR research and management sector at one table to take a strategic approach to the research required to maintain and build the resilience of the Reef in the face of climate change.

## Terms of Reference

ISAC has responsibility for

1. Establishing the research vision which focuses the Foundation's research investment;
2. Informing the Foundation's Board and management of research priorities and emerging issues related to the resilience of the Great Barrier Reef in the face of climate change;
3. Providing advice to the Foundation's management about the selection of research providers and their capacity to deliver research programmes;
4. Recommending research portfolios and projects for investment to the Board, in accordance with the research vision; and
5. Oversight and assurance in the development and delivery of the research portfolio (and individual research projects) aligned to the research vision.

## Research Portfolio

In 2008, the ISAC adopted as its research vision "a resilient GBR successfully adapting to climate change". A research framework was established to enable this vision.

Two working groups were convened pursuant to the research framework to develop a new research plan which Foundation investors could invest in. These working groups have delivered to the Foundation a list of project concepts, which address the Attributes of a resilient Reef in the face of climate change and Solutions and Adaptations that will measurably improve the key indicators of each of the Attributes.

The development process for these project concepts has been driven by the Foundation's management, under the direction of its Chief Scientific Officer.

Specifically in relation to the research portfolio, ISAC has responsibility for ensuring that the projects developed for the portfolio by the working groups:

- Are aligned with the research vision and framework set by ISAC;



- Sufficiently address priority issues and concerns within this vision and framework;
- Can be delivered within the capacity of both the Reef management and research sectors.
- And, if not, that actions are in place to ensure this capacity is developed in order to deliver the vision;
- Is of a quality that can be recommended to the Foundation's Board for investment; and
- Is being delivered in a timely manner and to a high standard that upholds the Foundation's reputation.

*In relation to these last two responsibilities, the Chair of ISAC has engaged the Portfolio Committee to provide support.*

### Opportunistic Projects

It is acknowledged that from time to time, in order to maintain and manage investor relationships, the Foundation may need to undertake opportunistic project development that directly addresses investor needs. Wherever possible these opportunistic investments will follow the standard project approvals process, however, extenuating circumstances may necessitate a modification of this process. In these instances the Foundation will:

- Ensure these projects are aligned with the research vision and framework adopted by ISAC;
- Take expert advice on the alignment of the project and any technical matters relating to its suitability or delivery, as required; and
- Inform ISAC of the project and the advice that Foundation Management has taken.

Based on the above process, ISAC will be asked to provide an endorsement (during scheduled meetings or via an off-session email) of such projects. The Chief Scientific Officer in consultation with management, the ISAC Chair and other experts as required maintains the responsibility for this process.

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## Membership

### *Composition of the Committee*

Membership of ISAC is intended to be representative of the major scientific institutions that play a role in Australian coral reef research and management, particularly those focused on the Great Barrier Reef. However, the number of members is not fixed.

Appointments to ISAC are made by the Foundation's Board. Accordingly, the Board also appoints the Chairman of the ISAC.

### *Review of Membership*

ISAC membership will be reviewed annually by the ISAC Chairman, the Managing Director and the Foundation Chairman. Recommendations about ISAC membership will be made to the Foundation Board, based upon the review.

## Committee Operation

### *Meetings*



ISAC will meet quarterly (or more frequently if required) as called by the Chairman and Managing Director. Meetings are held by teleconference or in person.

#### *Reporting*

The ISAC will report to the Board at quarterly intervals and in advance of each quarterly Board meeting, in writing. Reports will include official meeting minutes and other documents as required.

#### *Conduct of Meetings*

Decisions will be by consensus. Where there are conflicting views they will be minuted.

#### *Secretariat*

The Foundation will provide secretariat services to the ISAC under the guidance of the Chief Scientific Officer.

#### *Supporting Processes*

The Foundation will develop, in consultation with the ISAC, process, project and reporting methodologies which support the work of the ISAC.

#### *Conflict of Interest*

All members of the ISAC are to comply with the Foundation's Code of Conduct

#### *Role of the Chairman*

The Managing Director will inform the Chairman of emerging relationships with potential project partners and other Foundation activities. It is a matter of judgement for the Chairman and Managing Director to inform the ISAC if and when there is a potential risk to Members' reputation or embarrassment by association.

The Chairman is also responsible for managing conflict of interest issues that may arise among ISAC members.

## Audit Committee Charter

### 1. General

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#### 1.1 Purpose

The Audit Committee (the **Committee**) is appointed by the Board of Directors (the **Board**) of the Great Barrier Reef Foundation (**GBRF**) to assist in fulfilling its oversight responsibilities in relation to GBRF's financial reporting, internal control systems, risk management systems and the internal and external audit functions responsibilities.

#### 1.2 Objectives

This Committee is established to provide advice to the Board in fulfilling its corporate governance responsibilities in regard to financial reporting, audit and risk management.

### 2. Constitution

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The Constitution of GBRF provides for the establishment of committees as follows:

#### 52. Committees

**52.1** The directors may delegate any of their powers to a committee or committees consisting of such number of them and/or other persons as they think fit. A committee may consist of one or more persons.

**52.2** A committee to which any powers have been so delegated must exercise the powers delegated in accordance with any directions of the directors. A power so exercised is taken to be exercised by the directors.

**52.3** Articles 6, 7, 10 and 11 apply to any committee as if each reference in those Articles to the directors was a reference to the members of the committee and each reference to a meeting of directors was to a meeting of the committee.

The Committee is a committee of the Board and is subject to the control and direction of the Board.

### 3. Role and Responsibilities

---

The role and responsibilities of the Committee in performing its objectives shall include, but are not limited to:

- (a) Ensuring the Board makes informed decisions regarding accounting and financial policies, practices and disclosures;
- (b) Considering the effectiveness of internal controls and adequacy of systems as identified by the internal and external auditor;
- (c) Reporting to the Board on draft annual financial statements focusing on any significant changes in accounting policies and practices;



# The Great Barrier Reef Foundation

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- (d) Ensuring that the Foundation's financial reports meet the requirements of the relevant stakeholders;
- (e) Reviewing compliance with statutory and financial reporting requirements;
- (f) Reviewing the scope and outcomes of internal and external audits;
- (g) Holding an annual review meeting with the external auditor to review their proposed audit strategies and any other issues arising;
- (h) Assisting the Board to fulfil its duties and responsibilities with regard to the Foundation's finances;
- (i) Reviewing the details of Directors' and Officers' Insurance;
- (j) Investigating instances of fraud; and-
- (k) Other items that it considers should be reported to the Board;

## 4. Authority

---

The Board authorises the Committee, within the scope of their responsibilities set out in this Charter, to:

- (a) Investigate any activity that is covered by the terms of this Charter. It is authorised to seek any information it reasonably requires from any Foundation employee and all employees are required to cooperate with any lawful request made by the Committee;
- (b) The Committee may obtain outside accounting, legal or other independent professional advice after consultation with the Chairman of the Foundation Board; and
- (c) The Committee will make recommendations at the Foundation Board on matters covered by this Charter.

## 5. Reporting

---

The Committee Chairman shall report the findings and recommendations to the Board at the next subsequent Foundation Board meeting, and a copy of the report will be provided to each Board member. Alternatively, the report of recommendations to the Board may be circulated prior to the next Board meeting by a Flying Minute.

## 6. Membership

---

### 6.1 Composition

Membership shall consist of two (2) non-executive members appointed from time to time by the Board of the Foundation. One of the members will be the Chairperson of the Committee and a Director of the Foundation Board.

# The Great Barrier Reef Foundation

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The Foundation Board will review membership annually at the start of each year or following the termination or resignation of a member.

## **6.2 Secretary**

The Secretary of GBRF or his or her nominee shall act as the Secretary of the Committee, unless otherwise determined by the Committee.

## **7. Meetings**

---

### **7.1 Quorum**

The quorum necessary for the transaction of business at a meeting of the Committee shall be two members. In the absence of the Committee Chairperson, Committee members will elect a Committee member to act as Chairperson for that meeting. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

### **7.2 Frequency**

The Committee Chairman will convene meetings at least quarterly, before each Board meeting, or more frequently if required.

### **7.3 Notice**

Unless otherwise agreed by all Committee members, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and information papers relevant to such items, shall be sent to each member of the Committee, and any other person required to attend, no fewer than four business days prior to the date of the meeting.

### **7.4 Attendance**

Only members of the Committee and any other Board member are entitled to be present at a Committee meeting. Members of the Foundation management team, financial advisors and auditors, and any other person may attend on invitation of the Chairperson.

### **7.5 Minutes**

- (a) The Secretary will keep minutes of proceedings and resolutions of all Committee meetings, including the names of those present and in attendance, together with copies of supporting papers. These records will be available to any Committee or Board member upon request.
- (b) Minutes of Committee meetings shall be circulated to all members of the Committee.
- (c) Minutes must be confirmed as an accurate record of the meeting at the next subsequent meeting of the Committee.

# The Great Barrier Reef Foundation

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## **7.6 Meetings by technology**

- (a) The following technology may be used for calling or holding a meeting of the Committee:
  - (i) video;
  - (ii) telephone;
  - (iii) electronic mail;
  - (iv) any other technology which permits each member to communicate with every other member; or
  - (v) any combination of the technologies described in the above paragraphs.
- (b) Where the members are not all in attendance at one place and are holding a meeting using technology by which each member can communicate with the other members:
  - (i) the participating members are, for the purpose of every provision of this Charter concerning meetings of the members, taken to be assembled together at a meeting and to be present at that meeting;
  - (ii) all proceedings of those members conducted in that manner are as valid and effective as if conducted at a meeting at which all of them were present; and
  - (iii) the meeting shall be taken to have occurred at the place where the chairperson of that meeting is located, or at such other place where at least one of the participating Committee members is located, as the members may resolve.

## **7.7 Other procedures**

Other proceedings and meetings of the Committee will be governed by the provisions of GBRF's Constitution which regulate meetings and proceedings of the Board, insofar as they are applicable.

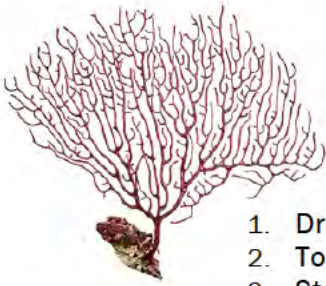
## **8. Performance review**

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At least every eighteen (18) months, the Committee shall conduct a review of its functions, roles, responsibilities and work to determine whether it is functioning effectively by reference to this Charter and the charter of GBRF. As part of that review, the Committee shall review and assess the terms of this Charter and make any recommendations for change to the Board.

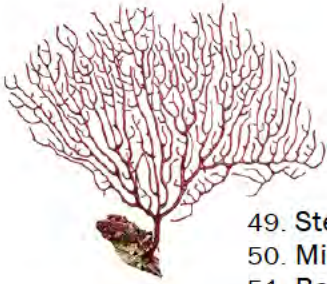
**Adopted by the Board: 6 June 2013**

**Reviewed by Audit Committee: 1 March 2018**



1. Dr John Schubert AO, Chairman
2. Todd Battley, AECOM - Chief Executive, Australia New Zealand
3. Stephen Fitzgerald, Affirmative Investment Management - Chairman
4. Andrew Vesey, AGL - Managing Director and CEO
5. Ron Delia, Amcor Limited - Managing Director and Chief Executive Officer
6. Shayne Elliott, ANZ Banking Group - Chief Executive Officer
7. Andrew Harding, Aurizon - Managing Director and Chief Executive Officer
8. Zimi Meka, Ausenco Limited - Chief Executive Officer
9. Dr Paul Hardisty, Australian Institute of Marine Science - Chief Executive Officer
10. Jon Sutton, Bank of Queensland - Managing Director and Chief Executive Officer
11. Andrew Mackenzie, BHP - Chief Executive Officer
12. Ken MacKenzie, BHP - Chairman
13. Maureen Dougherty, Boeing Australia & South Pacific - President
14. Mike Kane, Boral Limited - Chief Executive Officer & Managing Director
15. Julieanne Alroe, Brisbane Airport Corporation - Chief Executive Officer and Managing Director
16. Vik Bansal, Cleanaway - Chief Executive Officer and Managing Director
17. Wendy King, ConocoPhillips Australia - President - Australia East
18. Ian Narev, Commonwealth Bank - Chief Executive Officer
19. Dr Larry Marshall, CSIRO - Chief Executive
20. David Turner
21. Cindy Hook, Deloitte Australia - Chief Executive Officer
22. Anthony Miller, Deutsche Bank - Managing Director and Chief Executive Officer
23. Grant Fenn, Downer Group - Managing Director and Chief Executive Officer
24. Graham Turner, Flight Centre Limited - Managing Director
25. Max York, GE Australia - Chief Executive Officer
26. Jason Pellegrino, Google Australia & New Zealand - Chief Executive Officer
27. Grant King
28. Dr Paul Greenfield AO - Great Barrier Reef Foundation International Scientific Advisory Committee
29. Tim Salt, GWA Group Limited - Managing Director
30. Jacques Nasser AC
31. Sandra Harding, James Cook University - Vice Chancellor and President
32. John Grill AO
33. Katie Lahey, Korn Ferry - Executive Chairman
34. Steve McCann, Lendlease - Group Chief Executive Officer and Managing Director
35. Melinda Geertz, Leo Burnett Australia - Chief Executive Officer
36. Nicholas Moore, Macquarie Group - Managing Director and Chief Executive Officer
37. Brian Sheahan, Morgans Financial Limited - Executive Chairman
38. Seng-Huang Lee, Mulpha Australia Limited - Executive Chairman
39. Andrew Thorburn, National Australia Bank - Managing Director and Group Chief Executive Officer
40. Alberto Calderon, Orica Limited - Managing Director and Chief Executive Officer
41. George Schuller, Peabody Energy - President - Australia
42. Peter Mason AM
43. Luke Sayers, PwC - Chief Executive Officer
44. Tim Jackson, PwC Strategy - Managing Director Asia Pacific
45. Alan Joyce AO, Qantas Airways Limited - Chief Executive Officer
46. Phillip Strachan, Queensland Rail - Chair
47. Stephen McIntosh, Rio Tinto - Group Executive Growth and Innovation
48. Tony Nunan, Shell - Managing Director





49. Stephen Roberts
50. Michael Cameron, Suncorp - Managing Director and Group Chief Executive Officer
51. Bevan Slattery, Superloop - Chief Executive Officer
52. John O'Neill AO, The Star Entertainment Group - Chairman
53. Prof Peter Høj, University of Queensland - Vice Chancellor
54. Rob Scott, Wesfarmers Limited - Managing Director
55. Andrew Wood, Worley Parsons - Chief Executive Officer

## Appendix 3: GBRF Portfolio – Resilient Reefs Successfully Adapting to Climate Change



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# Resilient Coral Reefs Successfully Adapting to Climate Change

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## A Research Portfolio

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Produced with the support of



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GREAT BARRIER REEF  
*foundation*

Report Reference

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Great Barrier Reef Foundation

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4.4	What the Portfolio Will Deliver				



The world's coral reefs are threatened by the effects of climate change.

Spread across 109 countries, the world's coral reef communities are a storehouse of tremendous biodiversity and source of life for an estimated half a billion people<sup>1</sup>. The coral reefs of the six Coral Triangle countries alone, upon which more than 100 million people rely directly for their food and livelihood<sup>2</sup>, house over 75% of the world's reef-building corals and more than one-third of its fish species<sup>3</sup>.

On a day to day basis many reefs, particularly those in the developing world, are subjected to destructive fishing practices (for example, the use of cyanide), overfishing and tourism, the effects of soil particles, pesticides and pollutants in the water, coral mining, coastal development and shipping. However, climate change looms as the largest of the threats to reefs. It compounds the effects of all these other threats and challenges management profoundly.

In 2007, the Intergovernmental Panel on Climate Change (IPCC) predicted that by 2020, if nothing was done, as much as 60% of the world's largest coral reef, the Great Barrier Reef, would bleach every second year<sup>4</sup>. In 2002 when 55% of the

Great Barrier Reef bleached, 5% of the affected corals died<sup>5</sup>.

The IPCC's conclusions were a call to action. Irrespective of how successful efforts to mitigate the severity of climate change are, there must be effective adaptation to changes in the ecosystem which are already occurring and to which we are already committed.

The Great Barrier Reef Foundation (the Foundation), an Australian not-for-profit with strong links to Australian business, philanthropy, government and coral reef research and management agencies took up the baton of adaptation as a means to meet the climate change challenge.

Recognising that no one group could solve this problem alone and that such a challenge required leadership and a strong drive for innovation, the Foundation convened experts from its network to develop a Portfolio of research addressing a vision of resilient coral reefs, successfully adapting to climate change.

The research required must begin with the ability to measure, monitor and communicate the effects of climate change on coral reefs.

<sup>1</sup> Pomerance et al. 1999  
<sup>2</sup> Hoegh-Guldberg et al. 1999  
<sup>3</sup> WWF, 2009, The Coral Triangle and Climate Change  
<sup>4</sup> M.L. Parry et al. (eds) Contribution of Working Group II to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change, 2007  
<sup>5</sup> Australian Institute of Marine Science, online, www.aims.gov.au



It must develop a range of adaptation options to address the effects of warming waters, more acidic oceans and organisms that are struggling to adapt. Then it must equip managers, users and policy makers with the decision making tools required to determine where, when and how to deploy these options.

This Portfolio of research seeks to do just that. It is an innovative and complex Portfolio, two years in the making and the product of more than 75 people from 15 institutions and companies.

The Great Barrier Reef (the Reef) is an ideal incubator for this research. Physically, its vast size, complexity and general good health provide the best possible conditions for developing and testing adaptation concepts at a range of scales, under variable conditions and across multiple latitudes. The Reef is situated on the edge of a developed country that has resourced its reef research and management sectors well.

Its physical features and the cluster of expertise available make it an ideal location for adaptation research and base for capacity building, knowledge growth, export and transfer to coral reef communities globally.

The research delivered through this Portfolio will provide a platform for worldwide assessment of coral reef resilience to climate change, a suite of adaptation options and the means to test these innovative solutions. This will significantly advance the knowledge and tools available to coral reef managers, policy makers in Australia and ultimately could be shared with communities across the world.

The Foundation is committed to its mission of protecting and preserving coral reefs and adjoining coral coasts, for the benefit of the world community. However, the solutions to climate change on systems as beautiful and complex as coral reefs are unlikely to be found at first instance. With this in mind and with its vision firmly set, the Foundation will, alongside the delivery of this first Portfolio, continue to develop future portfolios of research.




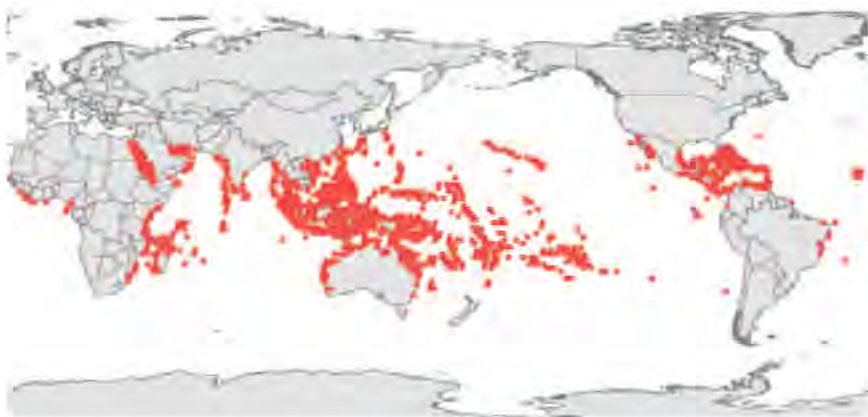
Dr John Schubert, Chairman   
Mrs Judith Stewart, Managing Director   
Prof. Paul Greenfield AO, Chairman, International Scientific Advisory Committee 

Figure 1—  
Global Coral Reef Distribution.  
Map provided by ReefBase  
(www.reefbase.org)





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# 1. Executive Summary

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# 1.

## Executive Summary

In August 2009, the Great Barrier Reef Foundation released a report by Oxford Economics into the value of the Great Barrier Reef and the economic costs of a catastrophic bleaching event on that value<sup>6</sup>. The report found that 73% of the Reef’s assessed value of A\$51.4 billion would be lost if such an event occurred. The impact on key tourism and fishing regions was as high as 90%.

Less than a month later, the Reef’s statutory manager, the Great Barrier Reef Marine Park Authority concluded in its Outlook Report that “despite the introduction of significant protection and management initiatives, the overall outlook for the Great Barrier Reef is poor”<sup>7</sup>, citing climate change as the greatest risk<sup>8</sup> to the Great Barrier Reef ecosystem.

The effects of climate change on a fragile living ecosystem, such as the Great Barrier Reef, can be profound—warmer ocean temperatures cause coral to lose their life giving properties, more acidic waters slow the growth of the calcified structures and organisms are denied their ideal growth environment.

However, equipped with measures of how the Reef is responding to the effects of climate change, the right suite of adaptation intervention strategies and appropriate decision support and communication tools, Reef managers will be able to sustain or enhance its resilience.

Such knowledge requires innovative research of the kind contained in this Portfolio.

Expert working groups made up of eminent scientists, Australian business, government and Reef management agencies, many of whom are internationally recognised in their fields, were convened and led by the Great Barrier Reef Foundation. They came together to identify new concepts, new approaches to old concepts, strategies from other industries and sectors modified to apply to the coral reefs and new ways of thinking so that the Reef and our interactions with it can adapt to a different future.



As a result, this new Portfolio, developed by the working groups spans a large spectrum of research. It has integration as its basis, ensuring the work spans the biophysical and social, the Reef as a whole and its parts, its links to the coast and ocean and the elements of understanding, monitoring and action.

It begins with the attributes of a resilient reef successfully adapting to climate change. Understanding what constitutes a reef resilient to climate change and how it can be measured and communicated will provide the baseline and metrics for managers, policy makers and users confronting an ecosystem put directly at risk by climate change.

In parallel, it develops a suite of adaptation options which, once researched, could allow more of the Reef to adapt and survive, buying time until mitigation measures take effect. In developing these adaptation concepts, a view was taken that current and essential efforts to minimise existing stressors on the Reef and build resilience may not be sufficient to protect the Reef against climate change. Consequently, the Portfolio puts forward project proposals to examine the feasibility of minimising the effects of warmer water temperatures, reducing the effects of more acidic oceans and increasing the adaptive capacity of Reef organisms, tested in a risk-managed way. Recognising that communities, industries and Reef management too, must adapt to the effects of climate change, the Portfolio also explores complementary governance, planning, industry and community engagement strategies.

Without tools to account for the current state of the Reef, predict its future and assess the when, where and how to implement adaptation strategies, the picture remains incomplete. Consequently, the Portfolio also develops a number of integrating tools and technologies to provide the critical decision support framework for management and policy makers as the effects of climate change are felt more deeply.

The investment required to deliver this Portfolio is substantial—more than \$100 million. Many different investors—corporate, philanthropic, government, science and even the financial markets—will have a role in providing this funding. The Foundation and its research partners are committed to investing their resources to deliver the vision.

We invite you too, to participate in the delivery of this innovative Portfolio by investing in the Reef’s resilience and adaptation to climate change.

<sup>6</sup>Oxford Economics, Valuing the effects of Great Barrier Reef Bleaching, 2009  
<sup>7</sup>Great Barrier Reef Marine Park Authority, Great Barrier Reef Outlook Report, 2009  
<sup>8</sup>The other being catchment run off (water quality)



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## 2. The Great Barrier Reef Foundation, Coral Reefs and Climate Change

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2.1 Coral Reefs

2.2 The Great Barrier Reef

2.3 The Reef and Climate Change

2.4 The Great Barrier Reef Foundation

2.1

Coral Reefs

Coral reefs, frequently referred to as “rainforests of the sea”, are the world’s most diverse marine ecosystems. Although they form a tiny proportion of the world’s ocean surface (less than 1%) they are estimated to provide a home for 25% of all marine species<sup>9</sup>—from hard and soft corals to fish, molluscs and mangroves, seabirds to seagrasses, turtles to dugongs.

Spanning 109 countries, these coral reefs have also shaped and formed a third of the world’s tropical coastline.

As hot spots of biodiversity they provide enormous pleasure but to many, they are a source of food and income. More than 1 billion people live within 60 kilometres of a tropical coral reef and 500 million people are dependent on reefs for their food and livelihood. Reef ecosystems are conservatively estimated to provide \$375 billion in direct goods and services each year<sup>10</sup>, including 10% of the global commercial fisheries catch.

However, as a source of livelihood for so many they are also subject to significant pressures. From destructive fishing practices to overfishing, unsustainable tourism to polluted waters and coastal development to shipping, reefs are subjected to an onslaught on a daily basis. It is estimated that 40% of coral reefs are already lost or severely degraded<sup>11</sup>.

2.2

The Great Barrier Reef

“The reefs of the Great Barrier Reef—almost 3000 in total—represent about 10 per cent of all the coral reef areas in the world. Virtually all groups of marine plants and animals are abundantly represented with thousands of different species living there.” Great Barrier Reef Outlook Report 2009<sup>12</sup>

The Great Barrier Reef, the world’s largest coral reef system, exemplifies this biodiversity and beauty.

Comprising 2900 individual reefs, the Reef spans an area of 344,040 square kilometres along 2300 kilometres of coastline, in north eastern Australia. It is home to 360 species of hard coral, 400 varieties of sponge, 5000 mollusc species and 10% of the world’s fish species<sup>13</sup>.

<sup>9</sup>WWF online, available from <http://wwwf.panda.org>  
<sup>10</sup>US Coral Reef Task Force, 2000  
<sup>11</sup>Coral Reef Targeted Research & Capacity Building for Management Program, 2009  
<sup>12</sup>Great Barrier Reef Marine Park Authority, Great Barrier Reef Outlook Report, 2009  
<sup>13</sup>Great Barrier Reef Marine Park Authority, fact sheet 1 online, [www.gbrmpa.gov.au](http://www.gbrmpa.gov.au)



Recognising its cultural and natural value, the Australian Government established the Great Barrier Reef Marine Park in 1975. Six years later UNESCO named the Reef a World Heritage Area, stating that “The Great Barrier Reef is a site of remarkable variety and beauty”.

Just as the Reef itself is complex, so too are the jurisdictions with which it interacts, the research sector dedicated to its study and the responsibilities of its management. Moreover, the Reef environment is affected by what happens in adjacent paddocks and catchments, on the coast which borders it, nearby oceans and the earth’s atmosphere.

The Reef is managed and regulated by the Australian and Queensland Government through the Great Barrier Reef Marine Park Authority. A number of other regulatory bodies, at both state and national levels, also maintain a legislated interest in the Reef.

There are as many as sixteen organisations involved in scientific research on the Great Barrier Reef, including James Cook, Queensland and Sydney Universities, the Commonwealth Scientific and Industrial Research Organisation and the Australian Institute of Marine Science, to name just a few.

2.3

Climate Change places the Reef at Risk

In 2007, the Intergovernmental Panel on Climate Change (IPCC) flagged directly to the custodians of the world’s coral reefs that the need to act on climate change was beyond scientific doubt, and could not wait. The message was clear—with cumulative climate change effects, such as warmer and more acidic ocean waters, already in evidence, the resilience of reefs, like the Great Barrier Reef, was already very much at risk. By 2020, if nothing is done, 60% of the Reef would bleach every second year<sup>14</sup>—even half this frequency of bleaching would be devastating to the Great Barrier Reef.

Figure 2—  
Great Barrier Reef Region,  
including associated river  
catchments  
©WWF (<http://wwwf.panda.org>)



The Great Barrier Reef Marine Park Authority’s first Outlook Report reinforced the risks of climate change stating that “Almost all the biodiversity of the Great Barrier Reef will be affected by climate change, with coral reef habitats the most vulnerable”<sup>15</sup>.

Risks to biodiversity also have human and economic impacts. In 2009, the Foundation published a study by Oxford Economics into the economic cost of a bleaching event<sup>16</sup>. It found that in the event of catastrophic bleaching up to 70% of the A\$51.4 billion value the Reef provides to the national economy would be lost.

One cannot diminish the overarching priority, globally, of reducing greenhouse gas emissions in order to secure the Reef for future generations. Indications are that coral reefs are in grave danger if atmospheric carbon dioxide concentrations exceed 450ppm<sup>17</sup>.

However, it is equally important to recognise that climate change effects, in the form of warmer temperatures and more acidic oceans are already in the system and are today, impacting the resilience of the Great Barrier Reef. Indeed the Marine Park Authority’s Outlook Report states that “Coral bleaching resulting from increasing sea temperature and lower rates of calcification in skeleton-building organisms, such as corals, because of ocean acidification, are the effects of most concern and are already evident”<sup>18</sup>.

Adaptation is essential, whatever we do—to changes in the ecosystem which are in evidence and to those which current emissions have already committed us. It is this that has driven the Foundation’s work on this Portfolio.

## 2.4 The Great Barrier Reef Foundation

The Great Barrier Reef Foundation is an Australian not-for-profit organisation, with links to Australian business and philanthropy and the national coral reef research and management agencies. It has been raising funds from Australian business and philanthropy for the last ten years to support high priority projects on the Great Barrier Reef.

The Foundation’s mission is to raise and provide funding to support research that contributes to the environmental protection, enhancement, preservation and conservation of tropical reefs (especially the Great Barrier Reef) and adjoining coral coasts, for the benefit of the world community.

It provides an independent channel for private investment from both business and philanthropic sources, working with its partners to develop and fund the highest priority research projects on the Reef.

<sup>14</sup>M.L. Parry et al. (eds) Contribution of Working Group II to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change, 2007

<sup>15</sup>Great Barrier Reef Marine Park Authority, Great Barrier Reef Outlook Report In Brief, 2009

<sup>16</sup>Coral bleaching occurs when the zooxanthellae that nourish the coral host giving it both life and colour are expelled from the coral, leaving the coral skeletons looking white or bleached.

<sup>17</sup>Hoegh-Guldberg et al., 2007

<sup>18</sup>Great Barrier Reef Marine Park Authority, Great Barrier Reef Outlook Report In Brief, 2009

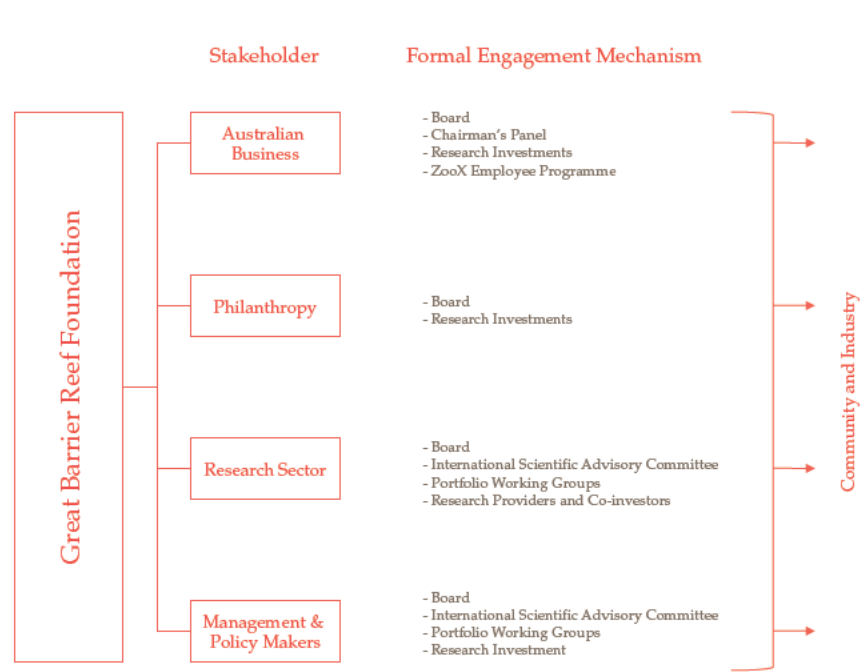


The Foundation’s Board of Directors comprises senior representatives of the Australian business, science and philanthropy sectors. The Board’s primary role is to ensure that the Foundation’s activities are directed towards achieving its mission.

The Board also provides strategic advice to management on the needs and expectations of the private sector and plays an important role in engaging a wider audience about the issues facing the Reef.

The Board and management of the Foundation are directly advised by an International Scientific Advisory Committee (ISAC). In ISAC, the Foundation assembles the most important and influential leaders of the Reef research and management sector.

Figure 3—  
Great Barrier Reef Foundation  
networks and engagement  
mechanisms





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### 3.

# Research Vision and Framework

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3.1

The Foundation’s Role

The Foundation is devoting its resources to the climate adaptation effort for three reasons:

1. Its reach into the research, business, philanthropic and government sectors equips it to add particular value in tapping into diverse expertise and resources;
2. Its success in attracting new investment from the private sector into Reef research is the ideal basis for unlocking significant further funding from multiple sources for high priority research;
3. Its not-for-profit characteristics enable it to be both agile and provocative in seeking solutions to the seemingly unsolvable.

It is on this basis that the Foundation established its research vision and framework and led the development of a research Portfolio designed to deliver on this research vision.

This research Portfolio together with the vision and framework which underpin it, have been developed under the direction and guidance of the Foundation’s International Scientific Advisory Committee.

The Committee, comprising representatives of the leading Reef research bodies and Reef management has actively participated in the development of this Portfolio through attendance at working group meetings, reviews of progress, feedback into the development process and ultimately approval of the Portfolio as capable of delivering on the research vision.

Mindful that impacts of changing ocean temperature and acidity are likely to affect coral reefs everywhere, many of which are situated in the developing world<sup>19</sup>, the Foundation will take a further role in identifying the pathways for its research findings to reach those coral reef communities.

<sup>19</sup>Today, coral reefs around the world are in such serious decline that they put at risk the environmental and economic stability of many coastal nations. Of the 109 countries with significant coral reef communities, at least 93 are experiencing damage. The Coral Reef Targeted Research & Capacity Building for Management Program



3.2

Research Vision

In 2008, to reflect the scale and immediacy of the climate change threat to the Reef, and to focus its grant making activities, the Foundation adopted as its new research vision: A resilient Reef, successfully adapting to climate change.

For the purposes of this research Portfolio, the Foundation has adopted the following definition of resilience.

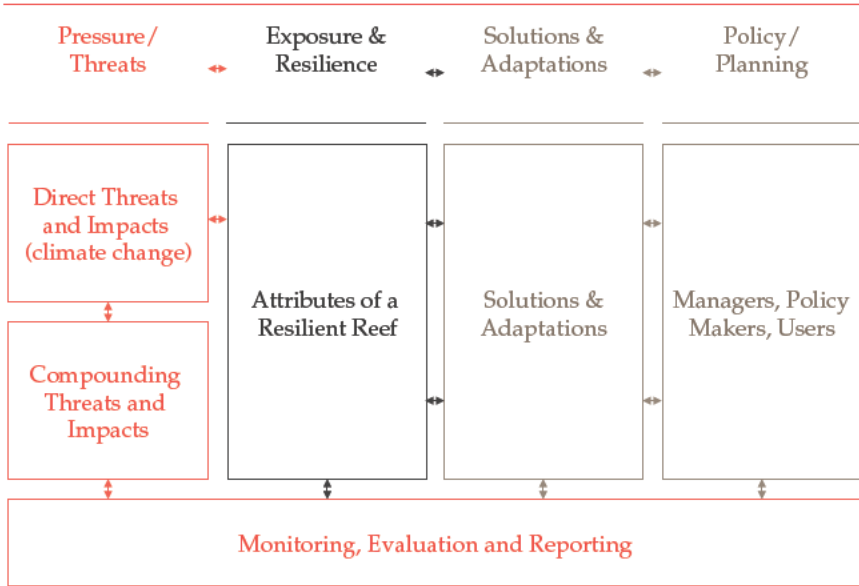
“Resilience is the ability of the Reef to resist, and recover from, disturbance.”

3.3

Research Framework

The Foundation also established a research framework to facilitate the realisation of the vision. The elements of this framework include:

Figure 4—  
Research Framework



1—  
Pressures/Threats

The threat of climate change looms as the most potent—and immediate—of the challenges to the Reef’s future.

In addition to the threats of ocean acidification and increasing ocean temperatures, climate change is changing the weather. This is intensifying storms and land run-off as well as driving rapid increases in sea level, changes to currents and altering circulation (e.g. upwelling zones) which are likely to affect the productivity of coral reefs and their resident species

Alongside the threats and impacts of climate change on the Reef are a suite of compounding threats and impacts which inhibit the resilience of the Reef to cope with the stresses of climate change. These compounding threats include poor water quality caused by sediment, nutrient and pollutant loads, unsustainable fishing, coastal development and shipping.

However, addressing these compounding threats, whilst critical to enhancing the resilience of the Reef, is not sufficient to address the impacts of climate change. Good water quality alone will not protect the Reef once the waters become too warm or too acidic for corals to cope.



2—  
Exposure and Resilience

It is critical to establish what biophysical, social and economic features make the Reef “resilient” to the threats of climate change.

These features or attributes, which span both the biophysical and socio-economic, could be considered the ‘vital signs’ of Reef health in the face of climate change—the key gauges of whether the Reef is resilient.

Defining, measuring and monitoring these attributes will allow Reef users, managers and policy makers to make decisions to protect and preserve the Reef.

The attributes of a resilient Great Barrier Reef are the focus of the Foundation however these attributes may be applicable to reefs globally.

3—  
Solutions & Adaptation

What actions can be taken to protect and preserve the Great Barrier Reef from the impacts of climate change? Can we devise and develop a suite of interventions that will either sustain or enhance the attributes of a resilient Reef?

Innovation and development of these concepts occurs within the solutions & adaptation field. Solutions seek to directly minimise or reduce climate change impacts on the Reef, while adaptation strategies seek to best manage and respond to those impacts across the biophysical, institutional, social and economic domains.

4—  
Policy /Planning

This whole research framework is driven towards practical outcomes that managers, policy makers and users will be able to draw on as the effects of climate change are felt on the Reef.

5—  
Monitoring, Evaluation and Reporting

A monitoring, evaluation and reporting system is critical to audit the effectiveness of the overall framework and will include:

- The condition of the different attributes (and hence, the resilience of the Reef) across space and time;
- The effectiveness of solutions & adaptation interventions on sustaining or enhancing the attributes;
- The evaluation of scenarios for management and policy responses.

6—  
Integration

Integration across and between elements of the framework is essential to its effectiveness. This integration requires:

- The outcomes and learning from one element to inform others;
- Mechanisms to bridge issues of spatial and temporal scale;
- Tools and systems that enable the modelling, visualisation and communication of actual results, forecasts and scenarios;
- Synthesis and sharing of knowledge generated by the framework to other countries, other reefs and other environmental systems.



# 4. Implementing the Research Vision

4.1

Research Questions

The research framework, described in Section 3, is implemented through a series of research questions. These research questions address each of the individual elements of the research framework, and the framework as a whole.

- 1—
- Can we identify, measure and monitor a set of attributes of a resilient Reef?
- a. What are the vital attributes of a resilient Reef in the face of climate change?
  - b. What are the key indicators of these attributes?
  - c. What are the key metrics of each indicator?

- 2—
- How is the Reef currently performing against these attributes? At what point will resilience reduce?
- a. What are the current levels of these indicators?
  - b. What are the key biophysical, social or economic drivers of these indicators?
  - c. What are the tipping points or ranges above/below which the resilience of the Reef will decline?
- 3—
- How can we communicate the Reef’s resilience to climate change?
- a. How do we integrate the attributes, indicators and metrics into a toolkit for managers?
  - b. How do we communicate the “resilience of the Reef” to the broader community?



- 4—
- Can socially, environmentally and economically feasible solutions & adaptation interventions be developed to sustain or enhance Reef resilience to climate change?
- a. What possible physical and ecological intervention concepts exist that could be employed to sustain or enhance the Reef’s resilience to climate change? Can they be proven to be effective?
  - b. What new physical and ecological interventions can be identified, developed and proven?

- 5—
- What enabling initiatives are required alongside solutions & adaptation interventions?
- a. What are the initiatives that will be required to build socio-economic resilience to climate change?
  - b. What governance, planning, industry and community initiatives are required to support/enable physical or ecological interventions?

- 6—
- What are the enabling requirements for deployment of solutions & adaptation interventions?
- a. Can the intervention concepts (alone or in combination) be delivered at a meaningful scale?
  - b. Can the intervention concepts be developed and delivered without additional harm to the Reef?
  - c. What resources/technology would be required to deploy/implement proven concepts?
- 7—
- What tools do managers, policy makers and Reef users need to be able to hindcast, forecast and generate scenarios that will support decision making regarding the need to deploy interventions and to assess their effectiveness?
- 8—
- How can this Portfolio of research be shared with local, national and international communities with a stake in the resilience of coral reefs?

## 4.2

### A Research Portfolio

To realise its vision and framework, and to respond to the research questions, the Foundation convened several working groups. Two groups in particular, have been central to the identification and development of the projects in this Portfolio. These working groups are made up of individuals who are expert in their fields, many of whom are internationally recognised for their expertise.

#### 1— Attributes Working Group

The Attributes working group consisting of leading biophysical and social scientists with expertise in coral reef systems, chaired by Professor Hoegh-Guldberg, Director of the Global Change Institute at the University of Queensland, was assembled in late 2008.

Recognising that much research has been done into identifying the signs of a deteriorating reef, but surprisingly little has been done to determine the attributes of a resilient Reef, the objectives of this group have been to:

- identify the Attributes of a resilient Reef in the face of climate change; and
- develop a monitoring and evaluation framework that will enable these Attributes to be used to assess the impacts of climate change factors on Reef resilience.

A list of the Attributes Working Group experts is provided in Appendix 2.

#### 2— Solutions & Adaptation Working Group

The Solutions & Adaptation working group, chaired by Dr Andrew Ash, Director of the Climate Adaptation Flagship at the Commonwealth Scientific Industrial Research Organisation (CSIRO) was drawn from Australian science, industry, government and business. The group was charged with developing solutions & adaptation concepts (supported by concurrent work on enabling and decision making frameworks) which address climate impacts on the Reef without creating undesirable consequences.

Solutions & adaptations concepts should seek to either sustain or enhance the attributes of a resilient Reef. The need to sustain or enhance the attributes of a resilient Reef aids in ensuring solutions & adaptations do not have adverse effects on the Reef.

The Foundation deliberately set out to bring diverse bodies of knowledge together in this working group in order to expand the pool of concepts on which it can draw.

A list of the Solutions & Adaptation Working Group members is provided in Appendix 3.



## 4.3

### Portfolio Guiding Principles

The following guiding principles have driven the development of this Portfolio and will continue to guide its execution:

#### 1— Research Vision and Framework

The Portfolio will contribute to delivery of the research vision and be fully aligned with the research framework.

#### 2— Social Licence to Operate

The Portfolio, and projects within the Portfolio, will be carried out in a manner that does not diminish the Foundation’s social licence to operate.

#### 3— Integration

Integration is fundamental to the delivery of the Foundation’s vision. It must span the biophysical, social, spatial and temporal aspects of the Reef, Attributes and Solutions & Adaptation, as well as understanding, monitoring and response.

#### 4— Specific, Measurable, Achievable, Relevant and Timely

Projects will be developed with a focus on specific, measureable outcomes which can be achieved in a timely manner and will clearly contribute to the research vision.

#### 5— Implementation

The Foundation is committed to delivering the Reef’s managers and policy makers a validated set of indicators to measure the effects of climate change on the attributes of a resilient Reef, an index of Reef resilience to climate change and a suite of proven adaptation intervention concepts.

For the majority of concepts the legislative and regulatory responsibility for implementation lies with Reef managers and policy makers. They, in turn, are reliant on high quality research outcomes, such as those this Portfolio will provide, to inform their decision making and to provide intervention options.

#### 6— Intellectual Property and Commercialisation

The intellectual property pertaining to the research undertaken in this Portfolio is the property of the relevant research institution or institutions and will not be commercialised by the Foundation.

It will however, be made available for the benefit of coral reef managers, users and policy makers through the publication and outreach mechanisms associated with this Portfolio.

The Foundation has sought to develop a balanced Portfolio. However, it is important to note that in the face of the large and impending threats to the Reef posed by climate change, some concepts of higher risk (and return) than the existing suite of management interventions, should be explored.

Risk analysis and risk management have been integrated into project development, reporting and investment stage gates.

The Reef is a vast living organism with a long history. Accordingly, the development of the research Portfolio has taken into account issues of both spatial (local, regional, whole-of-Reef) and temporal scale (past, present and future).

Collaboration across business, science, industry, community and government, fields of expertise, research institutions and international boundaries has been a hallmark of the Portfolio’s development and will continue to underpin its delivery.

The Foundation will be rigorous and transparent in the selection of research partners and project collaborations for this Portfolio on the basis of:

- The best available resources for the task;
- Efficient use of infrastructure and resources;
- Alignment with, but not duplication of, other research activities;
- Co-investment by research institutions and researchers.



## What the Portfolio will deliver

This Portfolio has been designed to deliver tangible outcomes to managers, users and policy makers which will advance the resilience of the Reef in the face of the significant and impending threat posed by climate change.

These outcomes include:

- a) A defined set of attributes, indicators and metrics which can be employed to monitor the resilience of the Reef in relation to the threats and impacts of climate change;
- b) An Index of Reef Resilience which can be applied at various scales to communicate to stakeholders how the Reef is faring in the face of climate change;
- c) A suite of proven adaptation intervention concepts which can be adopted and implemented by managers and policy makers to sustain or enhance the attributes of a resilient reef to climate change;
- d) A suite of tools with which managers, policy makers and Reef users can hindcast, forecast and generate scenarios and make decisions to deploy interventions and assess their effectiveness; and
- e) A global outreach program to share the learnings generated on the Reef with other coral reef-dependent countries.





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# 5. Portfolio Overview

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5.1  
Introduction

This research Portfolio comprises three priority project groupings: Attributes, Solutions & Adaptation and Integration.



5.2  
Attributes

These projects have been designed to address the following research questions:

- Can we identify, measure and monitor a set of attributes of a resilient Reef?
- How is the Reef currently performing against these attributes? At what point will resilience reduce?

Attributes projects extend across two streams:

1—  
Core coral reef systems

This stream of work focuses on the ecological and physical structure and integrity of the Reef (e.g. coral health, fish community structure);

2—  
Socio-economic systems

The resilience of the Reef is inextricably linked to the resilience of Reef-dependent communities and industries and the governance regimes which manage the Reef.



Research will take place across several concurrent phases:

Phase 1

Indicator viability—determining the relationship of each of the proposed indicators of each attribute to the climate change factors of increasing ocean acidification and increasing sea surface temperature.

Phase 2

Piloting indicators in the field—including establishment of baseline levels, determination of thresholds, testing of data collection methods and field validation of experiments.

Phase 3

Integration into a Reef Resilience Index—development of the integration framework required to produce an index of Reef resilience to climate change which can be applied at varying scales.

5.3  
Solutions & Adaptation

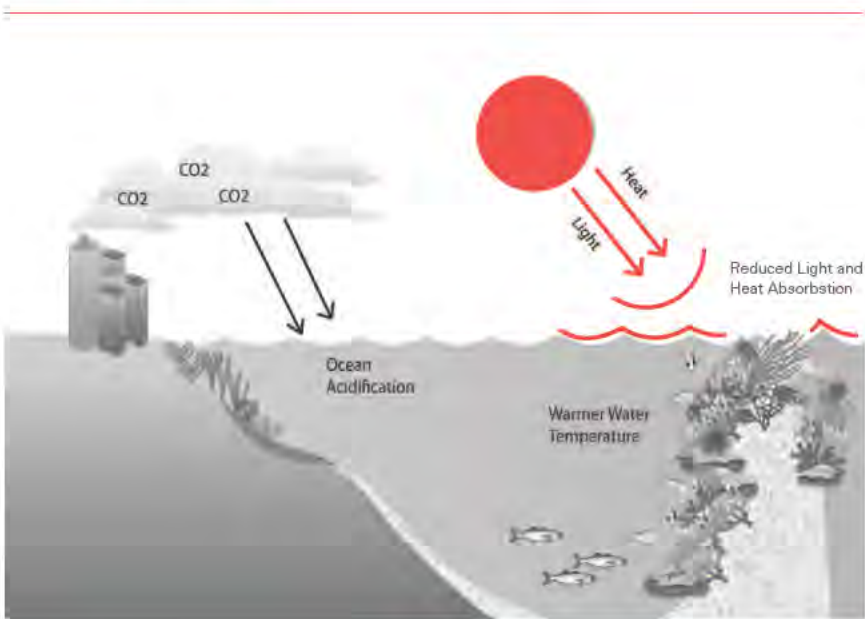
These projects consider the following research questions:

- Can adaptation interventions be developed to sustain or enhance Reef resilience to climate change?
- What enabling initiatives are required alongside adaptation interventions?
- What are the enabling requirements for deployment of adaptation interventions?

Solutions & Adaptation projects address two streams of work:

1. Ecological and physical solutions & adaptation strategies which directly address the primary threats of increasing water temperature and acidification. Ecological and physical strategies seek to either:
  - Reduce the effects or penetration of heat and light on water temperature;
  - Reduce the impacts of ocean acidification; or
  - Assist species and ecological communities to adapt

Figure 5—  
Solutions & Adaptation concepts seek to reduce the effects of climate change on coral reefs



2. Enabling strategies address industry, community and management capacity to adapt to climate change and to adopt solutions. These initiatives are developed alongside ecological and physical strategies in order to support the socio-economic systems so inextricably linked to the Reef’s ecological well being.

Solutions & adaptation research is carried out as either:

- Early stage feasibility studies undertaken largely in a laboratory or modelling environment which assess the ecological and technical potential of a concept. The majority of solutions & adaptation projects in this first Portfolio are feasibility studies.
- Proof of concept studies following a successful feasibility assessment. These studies consider in greater detail the ecological, technical and socio-economic potential of a concept and its scalability. It is generally not until this stage that any assessment is undertaken on the Reef itself. These studies may take place over several iterations of time and scale to fully assess viability.

The goal at the completion of these studies is to provide management and policy makers with proven concepts which can be adopted.

## 5.4 Integration

Integration projects bring together the learnings and outcomes from the other research streams, minimising risk of divergence and unintended consequences.

The projects consider the following research questions:

- What tools do managers, policy makers and Reef users need to be able to hindcast, forecast and generate scenarios that will support decision making on the need to deploy interventions and to assess their effectiveness?
- How can this Portfolio of research be communicated to and shared with local, national and international communities with a stake in the resilience of coral reefs?

Streams of work within integration include:

### Reef Resilience Index to Climate Change

Having identified eight Attributes of a resilient Great Barrier Reef to climate change, this integration initiative aims to bring the Attributes into a composite Reef Resilience Index which can be applied at appropriate scales to communicate the resilience of the Reef to climate change.



## From Understanding to Action

This workstream is specifically designed to ensure the outcomes of Attributes and Solutions & Adaptation projects are aligned with, and inform, one another. This work also has a strong focus on successfully moving between spatial (local, regional, whole of Reef) and temporal scales (hindcasting, forecasting, scenario generation) across the Attributes and Solutions & Adaptation concepts.

## Decision Making and Communications Tools

Managers, users and policy makers currently draw on a suite of research, monitoring, modelling, management interventions and reporting programs, underpinned by large investments from governments to communicate Reef health and make decisions about which interventions are required.

However, the sources of data available to them are vast, while the means to collect this data are constantly changing with technology. It is not currently possible to consider all these dimensions at once in determining the most effective response. Without a comprehensive integration framework, there are significant constraints on the development, implementation and evaluation of the very best management practices for the Reef and its catchments.

This suite of work focuses on a specific project—eReefs—which the Foundation believes will provide the tools to integrate, visualise and communicate so that decisions about the past, present and future of the Reef can be made and communicated effectively and efficiently.



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## 6. The Portfolio Development Process

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- 6.1 Attributes
- 6.2 Solutions & Adaptation
- 6.3 Integration
- 6.4 Ongoing Portfolio Development

The following sections outline the process by which the previous Portfolio elements have been developed and reviewed.

Figure 6—  
Overview of Attributes  
development process

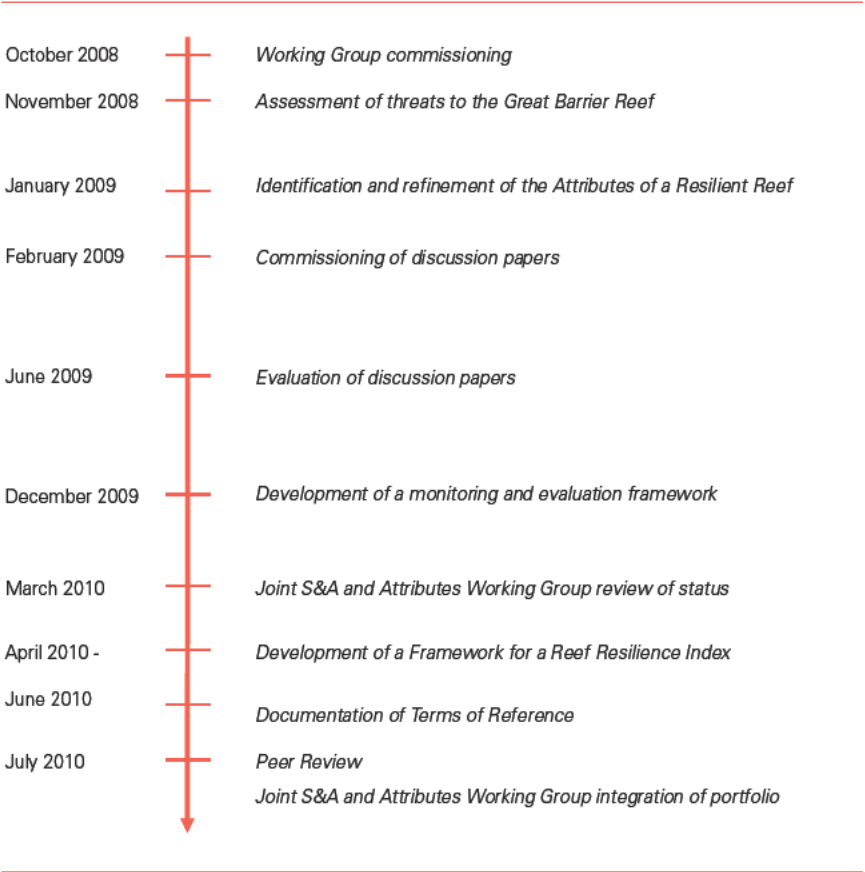


Figure 7—  
Overview of Solutions &  
Adaptation development process



## 6.1 Attributes

The process by which the attributes were identified and developed through the working group is shown in Figure 6.

## 6.2 Solutions & Adaptation

With a focus on the identification of viable concepts and their development into feasibility study proposals, the deliberations of the working group followed the process in Figure 7.

Through its process the working group identified, evaluated and refined more than forty solutions & adaptation concepts.

### 6.3

#### Integration

Integration projects have been identified and developed as the Portfolio unfolded in recognition of specific requirements to:

- Ensure the outcomes and learning from one project informs others, minimising the potential for unintended consequences;
- Span biophysical and social aspects of Reef resilience and adaptation;
- Bridge issues of spatial and temporal scale;
- Enable the modelling, visualisation and communication of results, forecasts and scenarios;
- Allow managers, users and policy makers to understand, monitor and act.

### 6.4

#### Ongoing Portfolio Development

The Foundation recognises that this first Portfolio is the beginning of a journey. Given the tight timelines facing the Reef, the Foundation has resolved to continue development of further Portfolios and anticipates that this will include further work on:

##### 1— Solutions & Adaptation Ideas

The successful development of these solutions & adaptation interventions is likely to require more than one iteration of ideas. Some unsuccessful research and concepts will drive new ideas or variations of ideas. The Foundation also intends to actively seek out new solutions & adaptation ideas through targeted workshops and its Bommies Award<sup>20</sup>.

##### 2— Solutions & Adaptation Proof of Concept

The majority of solutions & adaptation projects in this current Portfolio focus on proving the feasibility of the concept. This must, for successful projects, be followed by field trials and larger scale testing and evaluation for successful concepts and will be included in future Portfolios.

<sup>20</sup>Bommies from Bombora, an Aboriginal word used to describe a current off Dobroyd Head in Port Jackson. Refers to a shallow isolated piece of reef located a distance offshore.  
(Reference: Baker, S. 1966 The Australian Language, 2nd ed., 1966, XV 3, p.321).



## 7. Portfolio Quality Assurance and Delivery

7.1 Portfolio Governance

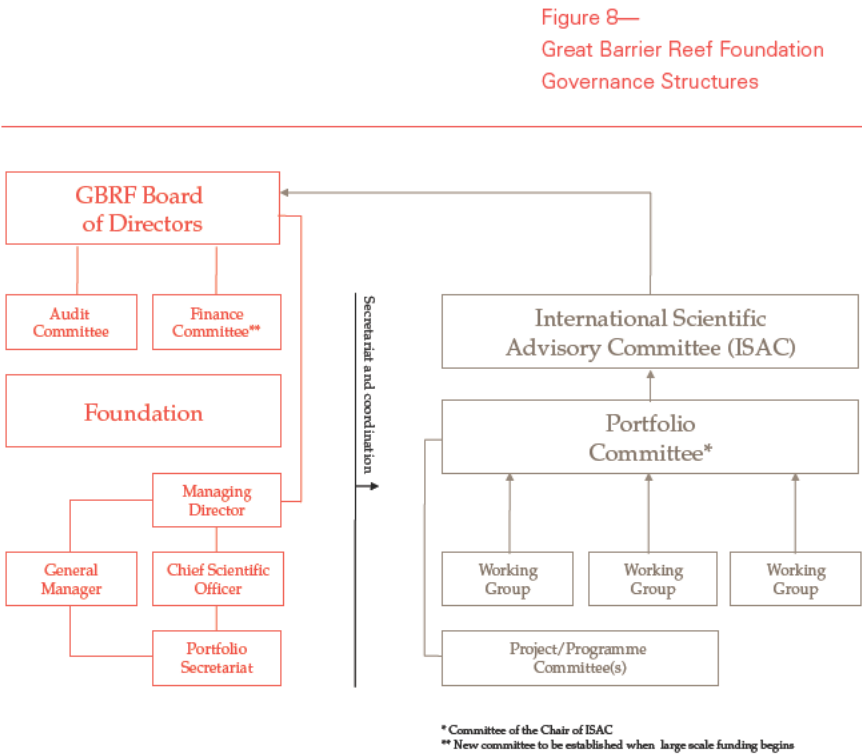
7.2 Quality Assurance

To provide investors with assurance as to the quality of this Portfolio and mitigate the need for investor due diligence into the quality of the process by which this Portfolio has been derived, the Foundation has drawn on a suite of governance and quality assurance processes.

7.1  
Portfolio Governance

The Foundation has instituted the following mechanisms to ensure the quality and integrity of the Portfolio as it has been developed.

These governance arrangements will also be applied to ensure that the funds contributed to this Portfolio are invested and managed.



The roles of key structures involved in the Portfolio development and delivery process are:

Board

The Board is responsible for approving the Foundation’s strategy to achieve its mission. This includes approving investment proposals arising from the Portfolio.

International Science  
Advisory Committee (ISAC)

ISAC ensures the Portfolio of projects developed by the working groups delivers on the Foundation’s research vision and framework and makes recommendations on projects to the Board.

Portfolio Committee

The Portfolio Committee, as a Committee of the Chair of ISAC has been asked to assist ISAC with project quality assurance and delivery oversight.

Audit and Finance Committees

The Audit Committee monitors and reports on financial performance and compliance to the Board. The Finance Committee, which will be established to oversee the large scale funding of this Portfolio, will provide assurance on the effective use of funds in delivering this Portfolio.

Project/ Programme  
Oversight Committees

Various sub committees have been and will be established to oversee specific programmes or projects and engage key stakeholders in a particular project. Roles could encompass oversight or technical advice.

Working Groups

The Working Groups bring together experts across diverse fields to identify and develop project concepts into research proposals.

Examples: Solutions & Adaptation Working Group, chaired by Dr Andrew Ash; Attributes Working Group, chaired by Professor Ove Hoegh-Guldberg

Management

Management is responsible for developing the Portfolio and funding strategy, and executing the day-to-day operations which implement the strategy, as approved by the Board. In relation to the Portfolio this includes coordinating the layers of governance, directing the flow of information to relevant committees/ working groups, managing project investments and acting as secretariat to the larger process.

7.2  
Quality Assurance

Assurance and control processes undertaken to ensure the Portfolio is of high quality include:

1—  
Working Group Reviews

Throughout the Portfolio development process, each working group has continually reviewed its progress, identifying opportunities to simplify, strengthen, accelerate and improve. Where relevant, this has included formal individual peer reviews of discussion papers and other working documents.

2—  
Joint Working Group Reviews

The two working groups came together twice over the course of their deliberations to review each other’s progress, identify potential gaps and ensure integration across the Attributes and Solutions & Adaptation streams.

3—  
Scientific Peer Review

Experts have also undertaken peer reviews of the Portfolio considering its scope, contents and the process by which it was developed. Their feedback has been incorporated into the final Portfolio of projects.

Reviewers include:

Professor Peter Mumby,  
Professor of Marine Ecology,  
The University of Exeter;  
Australian Laureate Fellow at the  
University of Queensland, and  
Pew Fellow in Marine Conservation;

Professor Hugh Possingham,  
Director of the Ecology Centre,  
The University of Queensland, and  
ARC Federation Fellow;

Professor Jean Palutikof,  
Director of the National Climate  
Adaptation Research Facility at  
Griffith University;

Mr Jim Binney,  
Senior Consultant,  
Marsden Jacobs Associates, Australia.



4—  
Foundation Governance Reviews

Two Foundation Committees have also monitored and reviewed the progress of this Portfolio.

a)  
International Science  
Advisory Committee (ISAC)

The ISAC has monitored the Portfolio’s development and reviewed its outcomes with a view to:

- Confirming the capability of the Portfolio to deliver on the research vision;
- Identifying areas of duplication, gaps, and additional potential with respect to other research being undertaken by the sector; and
- Confirming the capacity of the research sector to deliver on this Portfolio.

b)  
Portfolio Committee Review

The Committee has monitored and reviewed the Portfolio’s development with particular attention to:

- Integration of Attributes and Solutions & Adaptation work plans, including links between concepts, sequencing, prioritisation, timelines;
- Completeness—to ensure there are no significant gaps in the Portfolio across themes or projects;
- Portfolio Risk—to ensure the Portfolio is risk balanced, taking account of the risk profile of individual concepts and projects, their relative potential and cost; and
- Investor Acceptability—The projects within the Portfolio are aligned with the Foundation’s Constitution and would be of interest to investors.

It is on the advice of these Committees that the Board of the Great Barrier Reef Foundation has approved this Portfolio.

5—  
Independent Portfolio Review

The Foundation further commissioned KPMG to conduct an independent review of its structures, controls and processes to manage this Portfolio. The Foundation will adopt the recommendations of this review in managing delivery of the Portfolio.





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## 8. Investing in the Portfolio

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## 8.

# Investing in the Portfolio

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This Portfolio provides an overview of the projects required to deliver on the Foundation’s vision. Information on projects is available on request.

However, the investment required to deliver this Portfolio is substantial. To complete the research outcomes described in section 4.4 will require an investment of more than \$100 million.

All investors—corporate, philanthropic, government, science and even the financial markets—have a role in providing this funding.

The Foundation’s research partners have already committed to co-invest their resources in the delivery of research.

Businesses seeking to meet their corporate social responsibility commitments, particularly those related to biodiversity and communities bordering coral coasts will see value in their commitment to the Portfolio.

Philanthropy’s capacity to invest in the fundamentals that make the long term plan viable is critical.

Government’s role too is important, especially in equipping managers and policy makers with the tools required to respond to climate change. Nor will this Portfolio sit proud of other government investment in reef management and research—there is simply not the time or resources to waste.

We invite you too, to participate in the delivery of this innovative Portfolio by investing in the Reef’s resilience and adaptation to climate change.



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# Appendices

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# Appendices Index

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- 1. Portfolio Governance Structures
  - a. Great Barrier Reef Foundation Board
  - b. International Scientific Advisory Committee
  - c. Portfolio Committee
- 2. Attributes Working Group
- 3. Solutions & Adaptation Working Group
- 4. The Effects of Climate Change on Coral Reefs
- 5. Glossary

# Appendix 1. Portfolio Governance

## a. Great Barrier Reef Foundation Board

Name	Position	Organisation
Dr John M Schubert	Chairman	Great Barrier Reef Foundation
Judith Stewart	Managing Director	Great Barrier Reef Foundation
Ian Buchanan	Senior Executive Advisor	Booz & Co
Michael Cameron	Chief Executive	GPT Group
Geoff Dixon	Director	Great Barrier Reef Foundation
Kerry Gardner	Director	Great Barrier Reef Foundation
Prof. Paul Greenfield, AO	Vice Chancellor	University of Queensland
Amanda McCluskey	Head Of Sustainable & Responsible Investment	Colonial First State Global Asset Management
Dr John Mulcahy	Director	Great Barrier Reef Foundation
Dr Russell Reichelt	Executive Chairman	Great Barrier Reef Marine Park Authority (GBRMPA)
Michael Roux	Chairman	Roux International
Phillip Strachan	Chief Financial Officer	Rio Tinto Alcan
Keith Tuffley	Director	Great Barrier Reef Foundation
David Turner	Chairman	Commonwealth Bank of Australia
Peter Young, AM	Chairman	Queensland Investment Corporation

## b. International Scientific Advisory Committee

Name	Position	Organisation
Professor Paul Greenfield, AO	Vice Chancellor	University of Queensland
Dr Andrew Johnson	Group Executive Environment	Commonwealth Scientific and Industrial Research Organisation (CSIRO)
Dr Russell Reichelt	Executive Chairman	Great Barrier Reef Marine Park Authority (GBRMPA)
Dr Ian Poiner	Chief Executive	Australian Institute of Marine Science
Professor Chris Cocklin	Deputy Vice-Chancellor, Research & Innovation	James Cook University
Professor Ove Hoegh-Guldberg	Director, Global Change Institute	University of Queensland
Associate Professor Eva Abal (Secretary)	Chief Scientific Officer	Great Barrier Reef Foundation

## c. Portfolio Committee

Name	Position	Organisation
Dr John Mulcahy (Chair)	Director	Great Barrier Reef Foundation
Dr John M Schubert	Chairman	Great Barrier Reef Foundation
Dr Russell Reichelt	Executive Chairman	Great Barrier Reef Marine Park Authority (GBRMPA)
Judith Stewart	Managing Director	Great Barrier Reef Foundation

Committee Coordinator: Ms Claire Hanratty, GBRF



## Appendix 2.

### Attributes Working Group

Name	Position	Organisation
Prof. Ove Hoegh-Guldberg (Chair)	Director, Global Change Institute	University of Queensland
Dr Natalie Ban	Postdoctoral Fellow, ARC Centre of Excellence for Coral Reef Studies	James Cook University
Dr Catherine Collier	Post Doctoral Fellow, Plant & Agricultural Sciences	James Cook University
Dr Guillermo Diaz-Pulido	Lecturer, Griffith School of Environment	Griffith University
Dr Katharina Fabricius	Principal Research Scientist	Australian Institute of Marine Science
Dr Simon Foale	Senior Lecturer, Arts, Education and Social Sciences	James Cook University
Dr Morgan Pratchett	Research Fellow, ARC Centre of Excellence for Coral Reef Studies	James Cook University
Prof. Bob Pressey	Professor, ARC Centre of Excellence for Coral Reef Studies	James Cook University



Name	Position	Organisation
Dr Cathy Robinson	Senior Research Scientist CSIRO Sustainable Ecosystems	Commonwealth Scientific and Industrial Research Organisation
Assoc. Prof. Natalie Stoeckl	Head of Discipline—Economics	James Cook University
Dr Hugh Sweatman	Senior Research Scientist & Leader of Long Term Monitoring Program	Australian Institute of Marine Science
Dr Karen Vella	Lecturer in Urban and Environmental Planning	Griffith University
Dr David Wachenfeld	Chief Scientist	Great Barrier Reef Marine Park Authority
Assoc. Prof. Michelle Waycott	Associate Professor Marine & Tropical Biology	James Cook University
Prof. Bette Willis	Professor, School of Marine and Tropical Biology	James Cook University

Attributes—

Socio-economic subgroup



Name	Position	Organisation
Dr Karen Vella (Facilitator)	Lecturer in Urban and Environmental Planning	Griffith University
Dr Allan Dale	Chief Executive Officer	Terrain NRM
Dr Nick Emtage	Research Fellow, School of Integrative Systems, Cairns	University of Queensland
Dr Margaret Gooch	Lecturer, School of Education	James Cook University
Ms Silva Larson	Research Scientist, Sustainable Ecosystems	Commonwealth Scientific and Industrial Research Organisation
Dr Kirsten Maclean	Postdoctoral Research Fellow, School of Natural and Rural Systems Management	University of Queensland
Dr Nadine Marshall	Research Scientist, Sustainable Ecosystems	Commonwealth Scientific and Industrial Research Organisation
Dr Cath Robinson	Senior Research Scientist, Sustainable Ecosystems	Commonwealth Scientific and Industrial Research Organisation
Prof. Helen Ross	Professor, School of Integrative Systems	University of Queensland
Dr Sizhong Sun	Lecturer, School of Business	James Cook University
Assoc. Prof. Natalie Stoeckl	Head of Discipline—Economics	James Cook University
Mr Bruce Taylor	Research Scientist, Sustainable Ecosystems	Commonwealth Scientific and Industrial Research Organisation

Working Group Coordinator: Dr Eva Abal (Great Barrier Reef Foundation)

Science Support: Mrs Theresa Fyffe (Great Barrier Reef Foundation)

# Appendix 3.

## Solutions & Adaptation

### Working Group

Name	Position	Organisation
Dr Andrew Ash (Chair)	Director, Climate Adaptation Flagship	Commonwealth Scientific and Industrial Research Organisation
Dr Hugh Bradlow	Chief Technology Officer	Telstra
Prof. Chris Cocklin	Deputy Vice Chancellor, Research and Innovation	James Cook University
Dr Allan Dale	Chief Executive Officer	Terrain NRM
Mr Shane Donohoo	Managing Consultant, Advanced Analytics Group	Worley Parsons
Mr Peter Glazebrook	Principal Advisor, Product Stewardship, Health, Safety & Environment	Rio Tinto
Mr Daniel Gschwind	Chief Executive Officer	Queensland Tourism Industry Council
Prof. Gideon Henderson	Professor of Earth Sciences	Oxford University (UK)
Prof. Ove Hoegh-Guldberg	Director, Global Change Institute	University of Queensland
Mr Adrian Jeffreys	Executive Director Environment & Resources Policy	Department of Premier & Cabinet, Queensland Government
Mr Chris Johnston	Assistant Secretary, Adaptation Innovation Branch	Department of Climate Change



Name	Position	Organisation
Mr Rob Kella	Chief Risk Officer	Qantas
Mr John Marlay	Member, Expert Committee appointed by (Cth) Minister for Climate Change	
Mr David McConnell	Manager, Advanced Technology	Worley Parsons
Mr David Mofflin	Executive Director, EcoNomics	Worley Parsons
Prof. Bob Pressey	Professor, Australian Research Council Centre of Excellence for Coral Reef Studies	James Cook University
Dr Madeleine van Oppen	Principal Research Scientist	Australian Institute of Marine Science
Dr Karen Vella	Lecturer in Urban and Environmental Planning	Griffith University
Dr David Wachenfeld	Chief Scientist	Great Barrier Reef Marine Park Authority
Prof. Jennifer Westacott	National Sustainability, Climate Change and Water Partner	KPMG
Peter Meurs	Managing Director, EcoNomics	Worley Parsons

Working Group Coordinator: Ms Claire Hanratty (Great Barrier Reef Foundation)

# Appendix 4.

## The Effects of Climate Change on Coral Reefs

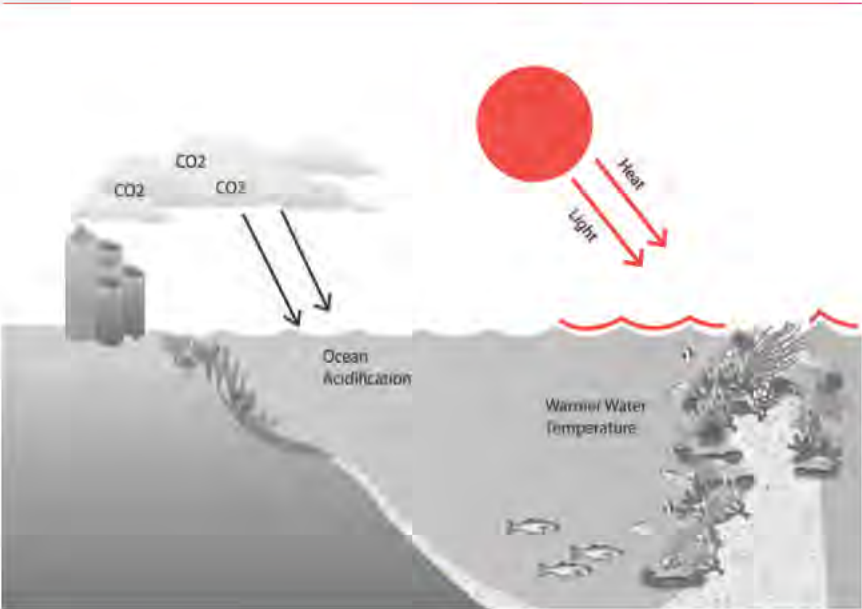
The two principal effects of climate change on coral reefs are increasing sea temperatures resulting in coral bleaching, and ocean acidification.

### Coral reefs and climate change

Coral reefs like the Great Barrier Reef prosper in the shallow, warm and alkaline waters of the tropics. At the heart of these reef ecosystems, are reef-building corals which form a symbiosis with tiny plant-like organisms known as zooxanthellae. These organisms live inside the cells of the coral where they photosynthesise and trap the sun's energy. Most of this energy is transferred to the coral host, which uses the energy to grow and secrete its skeleton composed of limestone-like calcium carbonate. Over time, these coral skeletons create the three-dimensional structure of coral reefs, forming the habitat for thousands of other species.

Escalating concentrations of greenhouse gases such as carbon dioxide in the Earth's atmosphere have caused rapid increases in global temperature. These changes at the global level have resulted in steadily rising temperatures across the world's oceans. The Coral Sea is no exception and has changed by 0.8°C over the past century. At the same time, increasing amounts of carbon dioxide in the atmosphere have led to increased amounts of carbon dioxide entering the world's oceans.

Figure 9—  
The principal effects of climate change on coral reefs



When in the ocean, the carbon dioxide reacts with water to create a dilute acid, significantly reducing the concentration of carbonate ions which are used by corals to form their skeletons. Since the beginning of the industrial revolution, the pH (a measure of the relative acidity or alkalinity of the solution) has decreased by 0.1 units. This decrease represents a 25% increase in the concentration of hydrogen ions and is driving decreases in the concentration of carbonate ions. These changes to the chemical and physical nature of the ocean are now beginning to affect coral reefs.

### Increased sea temperatures and mass coral bleaching

Increased sea temperatures have had major impacts on the viability of reef building corals, and consequently coral reefs. Since 1979, coral reefs have been experiencing mass coral bleaching events. These events occur when small increases in sea temperatures trigger the breakdown of the symbiosis between corals and their zooxanthellae.

Sea temperatures have always fluctuated from year to year—the problem now, however, is that warmer than normal years now exceed the thermal tolerance of corals, causing mass coral bleaching events. When the symbiosis between corals and their zooxanthellae breaks down, corals reject their zooxanthellae causing them to turn a brilliant white colour. Without their all-important zooxanthellae, corals are susceptible to starvation and disease.

Coral reefs can bounce back from short periods of thermal stress, but if conditions are warmer for longer, corals will die in great numbers<sup>21</sup>. In 1998, coral reefs all over the world experienced mass coral bleaching and around 16% of the world's corals died. In some regions, such as the western Indian Ocean, 46% of corals disappeared. In other regions, like Australia's Great Barrier Reef, conditions did not get as warm and only 5% of corals died. Over the past several decades, mass coral bleaching events have occurred repeatedly on the world's reefs, with the Great Barrier Reef experiencing two of the worst periods of bleaching over the past 12 years<sup>22</sup>.

Reefs are devastated by these coral bleaching events and may take up to 20 years to recover—if these events continue to become more frequent, and reefs do not have time to recover in between bleaching events, then reefs will eventually lose the living corals that build and maintain them. Without corals providing the three-dimensional structure of coral reefs, many of the organisms that live in and around corals disappear. For this reason, thermal stress on coral reefs also endangers many other organisms in larger reef ecosystems; starfish and anemones, fish, turtles and sea birds, among many other species, all depend on the corals for food and protection.

<sup>21</sup> Hoegh-Gulberg, 1999  
<sup>22</sup> In 2002, 54% of the Great Barrier Reef bleached, and about 5% of the reefs were severely damaged.



b—  
Ocean acidification and declining reef calcification

Declining concentrations of carbonate ions in the ocean have reduced the ability of corals to form their skeletons, with recent evidence indicating that the calcification rates of corals have decreased by 15% since 1990<sup>23</sup>. A decrease of this size is unique in the 400 years of record examined so far.

Because coral reefs represent a balance between calcification (building their skeletons) and erosion (breakdown of their skeletons), seemingly small decreases in pH have the potential to tip the carbonate balance of coral reefs towards net erosion. Compounding this, other studies have shown that increased temperature and acidity interact to have a much greater impact on corals than either impact has on its own<sup>24</sup>. This means that the currently small temperature thresholds of corals are likely to be reduced even further with an acidifying ocean and will therefore bleach more readily.

c—  
Compounding Pressures

The ability of coral reefs to recover from climate change disturbances depends very much on how intact they are. A healthy and resilient coral reef will recover from mass coral bleaching much faster than one that is stressed by other factors such as declining water quality and overfishing. In addition to local factors, climate change projections suggest that the future will see stronger storms and greater variability in rainfall. These changes can potentially combine with the stress of rising sea temperatures and acidities to create much greater challenges for coral reefs.

<sup>23</sup>De’Ath et al., 2009  
<sup>24</sup>Anthony et al., 2008



# Appendix 6— Glossary

Adaptation Strategies

Adaptation strategies seek to best manage and respond to the impacts of climate change across the biophysical, institutional and socio-economic domains.

Attribute

An attribute is a feature, either biophysical or socio-economic, of Reef resilience in the face of climate change. In the context of this Portfolio, they could be considered the ‘vital signs’ of Reef health under climate change.

Biophysical

This spans the physical environment of the Reef, the life forms within it and their interactions with the physical environment

Climate Change

A statistically significant variation in the mean state of the climate or its variability, persisting for an extended period, typically decades or longer. (IPCC)

Climate Change Adaptation

In general climate change adaptation involves taking action to adjust to the effects of climate change and to plan and prepare for the risk of future change.

Ecological and Physical Adaptation

Spans adaptation of Reef organisms and structures and the physical Reef environment to the primary threats of increasing water temperature and acidification.

Ecosystem

A biological environment made up of organisms and the physical environment in which they live.

Great Barrier Reef Marine Park Authority (GBRMPA)

Great Barrier Reef Marine Park Authority is the joint Federal and State agency responsible for administering the Great Barrier Reef Marine Park.

Indicator

An indicator is defined as a specific measure which can be used to evaluate a given Attribute.

Integration

The approach adopted by the Foundation to the development and delivery of this Portfolio.

Intergovernmental Panel on Climate Change (IPCC)

The scientific body of the United Nations charged with evaluating the risk of climate change caused by human activity.

Metric

A metric is the quantifiable component of an indicator.

Ocean Acidification

The lowering of ocean pH levels as a result of carbon dioxide absorption.

Outlook Report

The five yearly report prepared by the Great Barrier Reef Marine Park Authority. The primary aim of the Outlook Report is to provide a regular and reliable report on the management of the Marine Park, the overall condition of the ecosystem of the Great Barrier Reef Region, social and economic factors, as well as a risk-based assessment of the longer-term outlook for the Region.



Oxford Economics

A UK based economic advisory provider of independent forecasting and analysis for policymakers and business.

Queensland

The north eastern state of Australia which the Great Barrier Reef borders

Resilience

The ability of the Reef to resist, and recover from, disturbance.

Social Resilience

The resilience of individuals and social structures to climate change on the Reef.

Solutions Strategies

Solutions seek to minimise or reduce climate change impacts on the Reef.

UNESCO

United Nations Educational Scientific and Cultural Organisation



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GREAT BARRIER REEF  
*foundation*



GREAT BARRIER REEF  
*foundation*



## Appendix 4: Great Barrier Reef Foundation Portfolio Strategic Focus

# GBRF Projects Strategy

In 2016 the GBRF's International Science Advisory Committee (ISAC) endorsed a new strategic focus for its project portfolio as follows.

**Core focus areas:** Reef Restoration and Resilience

Rationale: The recent bleaching event has demonstrated clearly that business as usual approaches are no longer enough. It is time to add new tools to the toolbox including active restoration approaches. The focus of the Foundation's portfolio is to buy the Reef time as the world works together to achieve the Paris Agreement targets. Projects will either boost the resilience in the shorter term or aid the rebuilding and restoration of the GBR in the future.

**GBRF projects must:**

- Address a critical gap and/or accelerate impact
- Be complex, requiring a collaborative and coordinated approach and/or be catalytic
- Be high impact – improving outcomes for the Great Barrier Reef and aligned to the Reef2050 Plan
- Apply an innovation lens.

## ***Guiding Principles***

### *Driven by priority management needs*

While the Reef will always be the key beneficiary of any project, it is GBRMPA who are ultimately tasked with the vital role of protecting the Marine Park and the World Heritage Area. Therefore, it is imperative that we partner with GBRMPA to ensure we are funding projects that address genuine management needs. In doing so we will always have a clear line of sight of the short, medium and long-term science priorities for the Reef and ensure managers recognise value in any project the Foundation funds.

### *A pathway to impact*

The Foundation is committed to supporting projects that make a difference to the Reef. When considering funding for any project we consider at the outset who and what could benefit. Benefits occur in many ways – through knowledge exchange, new tools and processes, on ground activity, enhanced learning, skills development, and above all improving the outlook of the reef.

### *Grounded in science*

Science remains at the heart of everything the Foundation funds. We rely on insights and knowledge from the world of science to ensure that the projects we fund are underpinned by robust and defensible science. To ensure that the GBRF's Directors have access to good scientific advice and that our portfolio has scientific oversight at the highest level, the Board created the International Science Advisory Committee (ISAC). All projects that the Foundation funds are peer reviewed.

### *Collaboration and partnerships*

The Foundation is uniquely positioned to lead the collaboration of business, science and government, bringing together groups who would not otherwise come together. We are privileged to collaborate with a number of organisations to ensure research excellence, value for money (leveraged funding) and coordination. Ongoing collaborators include:

- Reef Managers: GBRMPA, Commonwealth Government, Queensland Government
- Research Organisations: AIMS, UQ, CSIRO, JCU, QUT, Uni Sydney, Uni Melbourne
- Business Community
- Private and Corporate Foundations
- Individual Donors
- Citizen Science Groups

### *A commitment to innovation*

The challenges facing the Reef are complex and interconnected. The investment required to achieve the goals of the Reef2050 Plan are substantial. New approaches and innovation is required if we are to deliver these outcomes faster and more efficiently. Successful innovation is driven not only by a mixture of technical and scientific skills, but also by business and entrepreneurial skills. We encourage innovation by connecting thought-leaders from diverse backgrounds to look at new ways to solve the challenges facing our Reef.

### *Leveraging Industry engagement*

The Foundation believes the business community and other industries can meaningfully contribute to the protection of the Reef. Since its establishment, the Foundation has been the bridge between business and the Reef and a number of significant projects and achievements have resulted from their investment and involvement. We will continue to find opportunities for the business community to engage in our work and projects and acknowledge that this extends beyond the provision of research funding. Many corporate partners can provide valuable data, expertise, equipment and infrastructure and with careful consideration, planning and guidance this can be converted into tangible benefits for the Reef.

### *Project Portfolio Framework*

Arising from the Foundation's new strategy is our new science project framework which will see the Foundation focus on funding fewer, but much larger and more complex, projects. A new funding approach has been developed to complement the project framework which aims to grow and diversify funding streams, improve alignment between projects and investor types, and support the ongoing operation of the Foundation.

## Appendix 5: Audited Financial Statements



# **Great Barrier Reef Foundation**

ABN 82 090 616 443

## **Annual report for the year ended 31 December 2016**

**Great Barrier Reef Foundation** ABN 82 090 616 443  
**Annual report - 31 December 2016**

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**Great Barrier Reef Foundation**  
**Annual report for the year ended 31 December 2016**

**Director's report**

2016 will always be recognised as a moment of truth for the Great Barrier Reef and for coral reefs around the world. The bleaching event which took place in March and resulted in widespread coral loss, clearly shows the vulnerability of these marine treasures to a changing climate.

For the Great Barrier Reef Foundation, the bleaching event drove home to us the unique and privileged role we play in engaging people and business from around the world with the momentous task of protecting this global icon.

At the core of the Foundation's work, we bring hope to the Reef and we do that by raising money for projects with large scale impact.

In 2016 the Foundation distributed \$7,008,979 (2015: \$4,392,539) in funding for vital projects ranging from large scale restoration efforts such as the restoration of the world's largest green turtle nesting ground, to cutting edge calculations and visualisation of water currents and ocean chemistry through eReefs, all the way down to sequencing the DNA of microscopic, coral associated organisms.

The Foundation's largest research investment to date, the Australian Government-funded Resilient Reefs Successfully Adapting to Climate Change, commenced its fourth and final round of research projects in 2016. This program will conclude in 2017 through three large, integrated projects that bring together the outcomes of the four year program as a whole, the outcome of which will be a comprehensive set of tools to enable more effective management of the Reef in the face of a changing climate.

Looking ahead to 2017 and beyond, the Foundation through its International Science Advisory Committee has adopted a new research focus around Reef Recovery: Building the Reef's resilience through innovations in monitoring, protection and restoration. Already the Foundation has a number of signature projects in development along this research theme.

As a charity, our success is in our ability to raise money for the protection of the Great Barrier Reef. The Foundation is fortunate to have a family of Australian companies who provide significant investment in reef research. At the bedrock of our corporate supporters is our Chairman's Panel, a group of 55 corporate leaders who champion this cause and provide funding for key projects and our operations. In 2016, we were pleased to see a significant increase in donations from individuals. It is clear the Great Barrier Reef is a special place to people all over the world and we are determined that the donations trusted to us make a difference.

The Foundation continued to use its platform to engage the broader public with the story of the Great Barrier Reef and the many pathways to support it. In 2016, the number of media stories generated by the Foundation doubled in volume and in reach.

The Foundation performed above expectation in 2016 and this is due to the commitment and support of a number of people and institutions. At the heart of our success is a determined and talented team and supporting them is a remarkable and inspirational board of directors. We draw great strength and insight from working closely with institutions such as the Great Barrier Reef Marine Park Authority, Australian Institute of Marine Science, CSIRO, James Cook University, University of Queensland, QUT and the Queensland and Australian governments.

The funds we raise are directed to projects with large scale impact – that go to the heart of saving the Reef. We are grateful to everyone who supported the Great Barrier Reef Foundation in 2016.

## Principal activities

The principal activity of the Foundation is to support the protection and enhancement of tropical reefs (especially the Great Barrier Reef) and adjoining coral coasts for the benefit of the world community including through the funding and provision of research, information and education. There were no significant changes to the nature of the activities carried out by the Foundation during the year.

## Review of results and operations

The Foundation's operating deficit of \$1,823,689 this year (2015: operating surplus \$2,525,009) reflects the timing difference between the receipt of revenue tied to specific Reef research projects and when expenses are incurred on those projects in accordance with each project's milestones. In 2016, science investment expenses were \$2,626,010 higher than in 2015. Adequate reserves were available to fund the committed research expenditure.

Revenue of \$8,084,358 in 2016 was less (2015: \$9,668,004) due to the timing of payments and a change in the funding mix for the eReefs project. In 2015, eReefs was funded by corporate and government partners while in 2016 only government funders contributed to the project.

At year-end, \$3,963,249 (2015: \$5,717,651) is considered tied or restricted funds for application towards future research project commitments.

## Operations

The number of full time employees at reporting date was six (2015: six). The capacity of this small team is supplemented by the Foundation's network of supporters and partners, in particular its pro bono partners and International Science Advisory Committee.

### *Pro bono partners*

The Foundation is very fortunate to be supported by a prestigious group of pro bono partners and greatly appreciates the value and quality of service provided by these organisations.

The Australian firms and companies that provided pro bono services in 2016, include:

We do IT (IT Services)  
Deloitte Touche Tohmatsu (Audit)  
Allens Linklaters (Legal)  
Big Fish Creative (IT Services, Creative)  
Leo Burnett (Branding)  
PwC Australia (Accounting)  
Nick Did This (Creative Strategy)  
KPMG (Company Secretarial and Compliance, Consulting)  
Veracity (IT Support)  
The Australia and New Zealand Banking Group (Consulting)  
JSA Creative (Marketing)

In the last twelve months, these firms and businesses have collectively provided pro bono services valued at \$266,534 (2015: \$444,534).

### *Project investments*

At 31 December 2016, the Foundation had research investment contracts, in aggregate, totalling \$20,606,774. In addition to this, the Foundation endeavours to leverage investments with co-contributions from the relevant research institutions and, as appropriate, cash from other parties.

During 2016 the principal beneficiaries of research funding by the Foundation were as follows:

<i>Institution</i>	<i>Expenditure (\$)</i>
Australian Genome Research Facility	13,300
Australian Institute of Marine Science	723,900
Australian National University	22,000
Bureau of Meteorology	1,475,000
Capricornia Catchments Inc	3,600
Cooperative Research Centre for Polymers Ltd	200,000
CSIRO	977,204
Department of National Parks, Sports and Racing	2,480,000
Department of Science, Information, Technology and Innovation	215,000
Griffith University	40,000



James Cook University	229,968
Mangrove Watch Ltd	6,149
Marine Conservation Finance Consulting	3,346
Moreton Bay Environmental Education Centre	1,500
Reef Check Foundation Ltd	10,800
Southern Cross University	76,989
Tangaroa Blue Foundation Ltd	12,750
University of Technology Sydney	2,000
University of New South Wales	99,719
University of Sydney	40,000
University of Queensland	373,273
Wildlife Preservation Society of QLD	2,481
<i>Total</i>	<i>\$7,008,979</i>

#### Benchmarking:

##### *Administration costs*

Our donors naturally expect that the majority of their donation will be used to protect the Great Barrier Reef, and not be directed to administration overheads. In keeping with industry best practice, the Foundation is committed to striving to limit administrative and fundraising expenses to 15%. In 2016 the percentage of total administration and fundraising expenses was 18.1% (2015: 21.4%).

#### Directors and meetings of directors

Directors	Board start date	Number of Meetings in the Reporting Period	Number of Meetings Attended
John Michael Schubert AO (Chairman) <i>BCEng (Hons 1), PhD (Chem Eng), FIEAust, CPEng, FTS, FICChemE</i>	11/04/2001	4	4
Michael Andrew Cameron <i>BBus, FCPA, FCA, FAICD</i>	09/09/2010	4	0
Maureen Ann Dougherty <i>BMEng, MEng, Fellow of the Royal Aeronautical Society</i>	04/11/2015	4	3
Stephen Charles Fitzgerald <i>BEcon</i>	25/11/2010	4	4
Paul Fawcett Greenfield AO <i>BEcon Qld, BE (Hons) NSW, PhD NSW, FIE Aust, FTSE, FICChemEng, MAIChe</i>	21/12/2007	4	4
Claire Louise Hanratty <i>BCA (First Class Hons), MBA (resigned 23/03/2016)</i>	30/11/2011	0	0
Anna Catherine Marsden <i>BArts</i>	25/01/2016	4	4
Amanda Therese McCluskey <i>BEcon (Hons)</i>	31/08/2009	4	3
Peter Edward Mason	25/03/2015	4	0
John Francis Mulcahy <i>BE (First Class Hons), PhD (Civil Eng)</i>	12/05/2006	4	3
Russell Evan Reichelt <i>BSc PhD, FAICD, FTSE</i>	31/08/2004	4	3
Stephen Hunter Roberts <i>BEC</i>	24/11/2015	4	4
Steven Andrew Sargent <i>BBus, Fellow with the Australian Academy of Technological Sciences and Engineering</i>	18/02/2015	4	3
Phillip David Strachan <i>BCom, FCPA</i>	23/12/2003	4	3
Keith Henry Tuffley <i>BEC, LL.M, Grad Dip Applied Fin and Invest</i>	22/11/2006	4	2

David John Turner <i>FCA</i>	28/07/2007	4	2
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The Foundation has established a number of committees who meet regularly and advise the board on a number of key issues.

#### **Audit, Risk and Compliance Committee**

Phillip David Strachan (Chair)  
 Isaac Alexander Fletcher (resigned 03/11/2016)  
 Clayton Neil Herbert  
 Trevor Mahony (appointed 03/11/2016)  
 Anthony Peter Rose

Number of Meetings in the Reporting Period	Number of Meetings Attended
4	4
3	3
4	3
1	1
4	4

#### **Portfolio Committee**

John Francis Mulcahy (Chair)  
 Paul Fawcett Greenfield AO  
 Anna Catherine Marsden  
 Rachel Parry  
 Russell Evan Reichelt  
 John Michael Schubert AO

Number of Meetings in the Reporting Period	Number of Meetings Attended
1	1
1	1
1	1
1	0
1	1
1	1

#### **Reef Bond Committee**

David John Turner (Chair)  
 Stephen Charles Fitzgerald  
 Paul Fawcett Greenfield AO  
 Claire Louise Hanratty  
 Anna Catherine Marsden  
 Amanda Therase McCluskey  
 Phillip David Strachan  
 Keith Henry Tuffley

Number of Meetings in the Reporting Period	Number of Meetings Attended
1	0
1	1
1	1
1	1
1	1
1	1
1	1
1	0

#### **Nominations Committee – Nil meetings held in 2016**

John Michael Schubert AO (Chair)  
 Stephen Charles Fitzgerald  
 Paul Fawcett Greenfield AO  
 John Francis Mulcahy

#### **Philanthropy Committee – Nil meetings held in 2016**

Stephen Hunter Roberts (Chair)  
 Stephen Charles Fitzgerald  
 Anna Catherine Marsden  
 Keith Henry Tuffley

#### **Company Secretary**

Kerri Suzanne Ryan (since 30/11/2011)

### **International Scientific Advisory Panel**

The International Scientific Advisory Panel, chaired by Professor Paul Greenfield AO, advises the Foundation's board and management on the direction of the science and the progress of science investments. The Foundation is grateful to the eminent group of leaders from Reef management and research institutions under whose leadership and governance the research program is developed, delivered and quality assured.

### **Dividends**

The Foundation is a company limited by guarantee and is restricted from declaring any dividends.

### **Insurance of officers**

During the financial year, the Foundation paid a premium of \$5,499 (2015: \$5,499) including stamp duty, a broker's fee and GST, to insure the directors, secretary, committee members and senior officers of the Foundation.

### **Proceedings on behalf of the Foundation**

No proceedings have been brought or intervened in on behalf of the Foundation which requires the leave of the Court under section 237 of the *Corporations Act 2001*.

### **Indemnification of officers and auditor**

Under section 65 of the Foundation's constitution, the Foundation indemnifies each person who is or has been a director or secretary of the Foundation. The indemnity relates to any liability (other than liability to the Foundation or related body corporate, pecuniary penalties or compensation orders and liability that did not arise out of conduct in good faith) which results directly or indirectly from facts or circumstances relating to service as a director or secretary of the Foundation and extends to the payment of legal costs described therein.

The Foundation has not otherwise during or since the financial year indemnified or agreed to indemnify an auditor of the Foundation or of any related body corporate against a liability incurred as such as an auditor.

### **Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required under subdivision 60 C of the *Australian Charities and Not-for profits Commission Act* is set out on page 7.

### **Environmental regulation**

The Foundation's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the board believes that the Foundation has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Foundation.

### **Remuneration report**

No director of the Foundation has received or become entitled to receive a benefit, by reason of a contract made by the Foundation with the director of a related company, other than in the case of the current Managing Director, whose remuneration is determined by the board.

### **Employee numbers**

The number of full time employees at reporting date was six (2015: six). Five part-time staff are employed in roles relating to science, marketing, communications and accounting.

### **Members' guarantee**

The Foundation is a public company limited by guarantee. Members are nominated and determined in accordance with the Constitution. If the Foundation is wound up, the constitution states that each member is required to contribute a maximum of \$10.00 towards meeting any outstanding obligations of the Foundation. As at 31 December 2016, the number of members was 123 (2015: 122).

### State government fundraising legislation requirements

Several state governments in Australia have specific licensing and reporting requirements implemented to inform and protect the interests of donors and regulate fundraising operations.

The Foundation holds the following licences:

- Queensland, the principal place of its operations: *Collections Act 1966, Certificate of Sanction Number: CP5118*
- New South Wales: *Charitable Fundraising Act 1991, Charitable fundraising number: CFN/24247*
- Tasmania: *section 6 of Collections for Charities Act 2001: C/10381*
- Melbourne: *The Fundraising Act 1998: Registration number: 14114*
- Western Australia: *Charitable Collections Act 1946: Licence No: CC 22070*

### Key Australian Government legislative and regulatory requirements

The *Australian Charities and Not-for-profits Commission Act* sets out laws dealing with registration of a business entity as a charity. From 1 January 2014, the Foundation (in its capacity as a large registered charity with an annual revenue >\$1m) must submit an annual information statement, a financial report and an audit report (auditing the Financial Statements) to the Australian Charities and Not-for-profits Commission.

Environmental organisations, including the Foundation, are required to comply with the requirements of the Australian Government Department of the Environment and Energy and the Australian Taxation Office in order to remain on the Register of Environmental Organisations (REO). This register lists environmental organisations, like the Foundation, which are eligible to receive tax deductible donations. This register was established under item 6.1.1 subsection 30-55(1) of the *Income Tax Assessment Act 1997*.

### Likely developments and expected results of operations

Through its International Science Advisory Committee, the Foundation has adopted a new research focus around Reef recovery: building the Reef's resilience through innovations in monitoring, protection and restoration. The Foundation has a number of signature research projects in development in line with this theme. With a large program of existing projects currently under management, significant effort is being, and will continue to be, dedicated to overseeing delivery of this work and enabling its adoption by reef managers and policy makers.

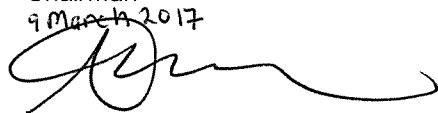
### Events subsequent to reporting day

This report is made in accordance with a resolution of the directors.



John Michael Schubert  
Chairman

9 March 2017



Anna Catherine Marsden  
Managing Director

9 March 2017



The Board of Directors  
Great Barrier Reef Foundation  
Level 13, 300 Ann Street  
BRISBANE QLD 4000

9 March 2017

Dear Board Members


## Great Barrier Reef Foundation

In accordance with Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the directors of Great Barrier Reef Foundation.

As lead audit partner for the audit of the financial statements of Great Barrier Reef Foundation for the financial year ended 31 December 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit;
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Tendai Mkwanzani  
Partner  
Chartered Accountants

## Corporate governance statement

Great Barrier Reef Foundation (the Foundation) is a not for profit public company limited by guarantee, incorporated under the *Corporations Act 2001*. Ultimate responsibility for the governance of the Foundation rests with the board of directors. This governance statement outlines how the board meets that responsibility.

The board's primary role is to ensure that the Foundation's activities are directed towards achieving its mission: the raising and provision of funding to support research contributing to the environmental protection, enhancement, preservation and conservation of tropical reefs (especially the Great Barrier Reef) and adjoining coral coasts.

All members of the board of directors are appointed through the constitution and are themselves members of the company. Non executive directors serve in an honorary capacity and do not receive remuneration for their role. Directors and senior staff have formal duties under company law and are kept apprised of these, using professional advice when necessary. There are conflict of interest provisions in the constitution and in company law, applicable to the directors, together with an internal protocol.

The Foundation's constitution governs the regulations of meetings and proceedings of the board of directors, together with the procedures for appointment and replacement of directors. The board regularly reviews the skills and experience necessary for its activities and currently considers it appropriate that there is the following mix: business management, ecological and scientific, financial, legal, marketing and philanthropic.

In addition to those matters required by the constitution and company law, the board's principal roles are to:

- approve the annual budget;
- receive and review regular and comprehensive financial and investment reports;
- oversee risk management analysis;
- make final decisions with respect to research projects;
- prepare and approve policy statements;
- determine strategic and long term objectives.

The Audit, Risk and Compliance Committee monitors the Foundation's financial activities and performance. The Audit, Risk and Compliance Committee may call on external advice from outside parties as required. It:

- reviews the accounts and assists in development of annual budgets and long term projections;
- provides strategic financial advice and support to management;
- review of risk management register and strategies;
- advises the board on financial matters including property acquisition, the formation of policies and guidelines related to financial management, and the monitoring of financial performance.

The Portfolio Committee is appointed to assist in providing advice to the board on the allocation, risk and reputational aspects of investments in the portfolio.

The board delegates the day to day management of the Foundation to the Managing Director and oversees and monitors her performance in that regard.

The process of evaluation of the Managing Director is ongoing, and a session on key performance indicators is held with the Chairman annually. The board or its delegate conducts an annual performance review of the Managing Director. The remuneration and terms and conditions for the Managing Director are reviewed and approved by the board after seeking professional advice. The Managing Director reviews and approves remuneration and conditions for other staff in the context of agreed parameters established by the board.

Communication of the Foundation's affairs to members, supporters and the public is widely undertaken. There is direct communication through newsletters and the provision of the annual report to members. The annual report and full financial disclosure, together with the Foundation's constitution, are available online at [www.barrierreef.org](http://www.barrierreef.org)

# **Great Barrier Reef Foundation** ABN 82 090 616 443

## **Annual report - 31 December 2016**

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A description of the nature of the entity's operations and its principal activities is included in the review of operations and activities on page 2, which is not part of these financial statements.

The financial statements were authorised for issue by the directors on 9 March 2017. The directors have the power to amend and reissue the financial statements.

Great Barrier Reef Foundation  
Statement of profit or loss and other comprehensive income  
for the year ended 31 December 2016

	Notes	2016 \$	2015 \$
<b>Revenue</b>	2	<b>8,084,358</b>	9,668,004
Science investments		(7,579,709)	(4,953,699)
Employee benefits expense		(1,373,894)	(1,178,621)
Engagement and communications expense	3	(381,413)	(356,906)
Occupancy and administration expense	3	(419,688)	(482,608)
Business development costs	3	(73,671)	(150,457)
Depreciation and amortisation expense		(18,094)	(15,552)
Loss on disposal of fixed assets		(57,954)	(18)
Finance costs		(3,623)	(5,134)
<b>Operating (deficit) surplus before income tax</b>		<b>(1,823,688)</b>	2,525,009
Income tax expense		-	-
<b>Operating (deficit) surplus for the year</b>		<b>(1,823,688)</b>	2,525,009
<b>Other comprehensive income for the year</b>		-	-
<b>Total comprehensive (loss) income for the year</b>		<b>(1,823,688)</b>	2,525,009
Operating (deficit) surplus for the year is attributable to:			
Members of Great Barrier Reef Foundation		(1,823,688)	2,525,009

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.*

	Notes	2016 \$	2015 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	4,422,101	2,926,513
Trade and other receivables	6	1,075,885	3,841,267
Financial assets	7	205,411	181,723
Other current assets	8	51,346	28,568
<b>Total current assets</b>		<b>5,754,743</b>	<b>6,978,071</b>
<b>Non-current assets</b>			
Property, plant and equipment	9	43,737	76,311
Intangible assets	10	15,454	13,878
<b>Total non-current assets</b>		<b>59,191</b>	<b>90,189</b>
<b>Total assets</b>		<b>5,813,934</b>	<b>7,068,260</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	11	845,058	465,108
Provisions	12	76,935	128,129
Deferred revenue		235,400	-
<b>Total current liabilities</b>		<b>1,157,393</b>	<b>593,237</b>
<b>Non-current liabilities</b>			
Provisions	12	19,616	14,410
<b>Total non-current liabilities</b>		<b>19,616</b>	<b>14,410</b>
<b>Total liabilities</b>		<b>1,177,009</b>	<b>607,647</b>
<b>Net assets</b>		<b>4,636,925</b>	<b>6,460,613</b>
<b>FUNDS</b>			
Restricted reserves	13(a)	3,963,248	5,717,651
Retained operating surplus	13(b)	673,677	742,962
<b>Total funds</b>		<b>4,636,925</b>	<b>6,460,613</b>

*The above statement of financial position should be read in conjunction with the accompanying notes.*



	Notes	Restricted reserves \$	Retained operating surplus \$	Total equity \$
<b>Balance at 1 January 2015</b>		<u>3,337,095</u>	<u>598,509</u>	<u>3,935,604</u>
Surplus (deficit) for the year		-	2,525,009	2,525,009
Other comprehensive income		-	-	-
<b>Total comprehensive income for the year</b>		<u>-</u>	<u>2,525,009</u>	<u>2,525,009</u>
Transfer to (from) retained opening surplus to (from) restricted reserves	13	2,380,556	(2,380,556)	-
<b>Balance at 31 December 2015</b>		<u>5,717,651</u>	<u>742,962</u>	<u>6,460,613</u>
 <b>Balance at 1 January 2016</b>		 <u>5,717,651</u>	 <u>742,962</u>	 <u>6,460,613</u>
Surplus (deficit) for the year		-	(1,823,688)	(1,823,688)
Other comprehensive income		-	-	-
<b>Total comprehensive income for the year</b>		<u>-</u>	<u>(1,823,688)</u>	<u>(1,823,688)</u>
Transfer to (from) retained opening surplus to (from) restricted reserves	13	(1,754,403)	1,754,403	-
<b>Balance at 31 December 2016</b>		<u>3,963,248</u>	<u>673,677</u>	<u>4,636,925</u>

*The above statement of changes in equity should be read in conjunction with the accompanying notes.*

Great Barrier Reef Foundation  
Statement of cash flows  
for the year ended 31 December 2016

	2016	2015
Notes	\$	\$
<b>Cash flows from operating activities</b>		
Payments to suppliers and researchers (inclusive of goods and services tax)	(8,911,397)	(5,887,546)
Grants and donations received	11,799,528	7,200,351
Employment costs	(1,419,389)	(1,154,627)
<b>Net cash inflow from operating activities</b>	<u>1,468,742</u>	<u>158,178</u>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment (exclusive of goods and services tax)	(41,684)	(23,689)
Term deposits held as bank guarantees	(23,688)	997
Payments for patents and trademarks	(4,777)	(455)
Proceeds from sale of property, plant and equipment (exclusive of goods and services tax)	1,410	689
Interest received	95,585	101,181
<b>Net cash inflow from investing activities</b>	<u>26,846</u>	<u>78,723</u>
<b>Net cash inflow from financing activities</b>	<u>-</u>	<u>-</u>
<b>Net increase in cash and cash equivalents</b>	1,495,588	236,901
Cash and cash equivalents at the beginning of the financial year	2,926,513	2,689,612
<b>Cash and cash equivalents at end of year</b>	4 <u>4,422,101</u>	<u>2,926,513</u>

*The above statement of cash flows should be read in conjunction with the accompanying notes.*

## 1 Summary of significant accounting policies

This note provides a list of all significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Great Barrier Reef Foundation.

### (a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*. Great Barrier Reef Foundation is a not-for-profit entity for the purpose of preparing the financial statements.

#### (i) Compliance with Australian Accounting Standards - Reduced Disclosure Requirements

The financial statements of the Great Barrier Reef Foundation comply with Australian Accounting Standards - Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB).

#### (ii) Historical cost convention

These financial statements have been prepared under the historical cost convention.

#### (iii) New and amended standards adopted by the Foundation

The Foundation has applied the following standards and amendments for the first time in their annual reporting period commencing 1 January 2016:

- AASB 2014-4 *Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation*;
- AASB 2015-1 *Amendments to Australian Accounting Standards - Annual improvements to Australian Accounting Standards 2012 - 2014 cycle*; and
- AASB 2015-2 *Amendments to Australian Accounting Standards - Disclosure initiative: Amendments to AASB 101*.

The adoption of these standards did not have any impact on the current period or any prior period and is not likely to affect future periods:

- AASB 2016-2 *Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 107*.

As these amendments merely clarify the existing requirements, they do not affect the Foundation's accounting policies or any of the disclosures.

#### (iv) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2016 reporting periods and have not been early adopted by the Foundation. The Foundation's assessment of the impact of these new standards and interpretations is set out below.

## 1 Summary of significant accounting policies (continued)

### (a) Basis of preparation (continued)

<b>Title of standard</b>	<b>Nature of change</b>	<b>Impact</b>	<b>Mandatory application date/ Date of adoption by the Foundation</b>
AASB 9 <i>Financial Instruments</i>	AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In December 2014, the AASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard.	Following the changes approved by the AASB in December 2014, the Foundation no longer expects any impact from the new classification, measurement and derecognition rules on the Foundation's financial assets and financial liabilities. There will also be no impact on the Foundation's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Foundation does not have any such liabilities.	Must be applied for financial years commencing on or after 1 January 2018. Based on the transitional provisions in the completed IFRS 9, early adoption in phases was only permitted for annual reporting periods beginning before 1 February 2015. After that date, the new rules must be adopted in their entirety.

<b>Title of standard</b>	<b>Nature of change</b>	<b>Impact</b>	<b>Mandatory application date/ Date of adoption by the Foundation</b>
AASB 15 <i>Revenue from Contracts with Customers</i>	The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.	The materiality of the impact of this standard on the financial statements of the Foundation is not yet fully known. AASB 2016-7 defers the application date of this standard by not-for-profit entities until financial years commencing on or after 1 January 2019. As such, the Foundation will utilise the next 12 months to thoroughly investigate the potential effects of this standard on both contracting methodology and financial statements.	For not-for-profit entities: Mandatory for financial years commencing on or after 1 January 2019. Expected date of adoption by the Foundation: 1 January 2019.

## 1 Summary of significant accounting policies (continued)

### (a) Basis of preparation (continued)

Title of standard	Nature of change	Impact	Mandatory application date/ Date of adoption by the Foundation
AASB 16 <i>Leases</i>	AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.	The only significant operating lease is the lease of premises in Ann Street, Brisbane. An asset and associated liability is expected to be recognised for this lease upon adoption of this Standard. A periodic amortisation and interest charge is expected to be recognised in the statement of profit or loss and other comprehensive income, the amounts of which are not expected to be material.	Mandatory for financial years commencing on or after 1 January 2019. At this stage, the Foundation does not intend to adopt the standard before its effective date.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

#### (v) *Critical accounting estimates*

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Foundation's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

### (b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns and duties and taxes paid.

Revenue is recognised for the major business activities using the methods outlined below.

#### (i) *Interest*

Interest revenue is recognised when the interest entitlement has been earned.

#### (ii) *Donations*

Income from donations is recognised at the earlier of when the donation is received or entitled to be received by the Foundation.

#### (iii) *Corporate grants*

Income from corporate grants is recognised when the grant is entitled to be received by the Foundation.

#### (iv) *Government grants*

Grants received from government are recognised as revenue to the extent they have been received into the Foundation's bank account or are entitled to be received by the Foundation at year end.

#### (v) *Royalties*

Revenue from royalties is recognised when the royalty is earned.



## **1 Summary of significant accounting policies (continued)**

### **(b) Revenue recognition (continued)**

#### *(vi) In-kind donations*

In-kind donations, such as the provision of goods and services from pro bono partners, are recognised as revenue when provided to the Foundation. These in-kind donations are also recorded as a matching asset or expense depending on the nature of the service provided.

### **(c) Income tax**

The Foundation is a tax exempt entity and is therefore not liable for income tax.

### **(d) Leases**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Foundation as lessee are classified as operating leases (note 15). Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

### **(e) Acquisition of assets**

The purchase method of accounting is used to account for all acquisitions of assets. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

### **(f) Impairment of assets**

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

### **(g) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

### **(h) Trade and other receivables**

Trade and other receivables are recognised at cost, less provision for impairment.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade and other receivables) is used when there is objective evidence that the Foundation will not be able to collect all amounts due according to the original terms of the receivables.

## 1 Summary of significant accounting policies (continued)

### (i) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Foundation and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

- Furniture and fittings	2 - 20 years
- Plant and equipment	2 - 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(f)).

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the statement of profit or loss and other comprehensive income.

### (j) Intangible assets

#### (i) Trademarks and licences

Trademarks and licences have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives, which vary from 5 to 10 years.

Trademarks that do not have a finite useful life are carried at cost less accumulated impairment.

### (k) Trade and other payables

These amounts represent liabilities for goods and services provided to the Foundation prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade payables and other accounts payable are recognised when the Foundation becomes obliged to make future payments resulting from the purchase of goods and services.

### (l) Provisions

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

### (m) Employee benefits

#### (i) Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date, are recognised in provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

## **1 Summary of significant accounting policies (continued)**

### **(m) Employee benefits (continued)**

#### *(ii) Other long-term employee benefit obligations*

Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Foundation in respect of services provided by employees up to reporting date.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

#### *(iii) Sick leave*

Liabilities for non-accumulating sick leave are not recognised by the Foundation in its annual report.

#### *(iv) Superannuation*

The Foundation makes compulsory superannuation contributions in accordance with the superannuation guarantee charge. Any superannuation accrued and not paid at balance date is recognised as a liability.

### **(n) Goods and Services Tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST recognised is part of the cost of acquisition of the asset or as part of the item of expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

## 2 Revenue

	2016 \$	2015 \$
Project grants received	1,694,564	2,731,948
Government research contributions	3,710,250	4,243,690
Pro bono services	266,534	444,534
Donations - Chairman's Panel	728,500	775,000
Membership fees - Chairman's Panel	174,800	182,400
Grants received - project fees	675,393	906,792
Royalties - cause related marketing	27,096	31,620
Donations	690,109	232,128
Interest income	95,877	100,597
Other revenue	21,235	19,295
	<u>8,084,358</u>	<u>9,668,004</u>

## 3 Expenses

	2016 \$	2015 \$
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Surplus (deficit) before income tax includes the following specific expenses:

### *Employee benefits*

Defined contribution superannuation expense	<u>119,460</u>	<u>98,137</u>
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### *Business development*

Pro bono services	2,000	105,545
Expenses other than pro bono services	<u>71,671</u>	<u>44,912</u>
	<u>73,671</u>	<u>150,457</u>

### *Occupancy and administration*

Pro bono services	117,355	198,819
Expenses other than pro bono services	<u>302,333</u>	<u>283,789</u>
	<u>419,688</u>	<u>482,608</u>

### *Engagement and communications*

Pro bono services	147,179	140,170
Expenses other than pro bono services	<u>234,234</u>	<u>216,736</u>
	<u>381,413</u>	<u>356,906</u>

#### 4 Current assets - Cash and cash equivalents

	2016 \$	2015 \$
Bank deposits	3,745,993	1,837,082
Operating accounts	283,100	171,206
Public fund accounts	237,763	57,307
Project accounts	155,245	860,918
	<u>4,422,101</u>	<u>2,926,513</u>

##### (a) Public fund monies

The Foundation is registered as an environmental organisation under legislative requirements in the *Income Tax Assessment Act*.

One of the mandatory constitutional requirements of environmental organisations includes the establishment and maintenance of a public fund:

- to which gifts of money or property for its principal purpose are to be made; and
- to which any money received because of such gifts is to be credited; and
- that does not receive any other money or property.

The release of monies from the public fund account and the management of, and sale of, public fund assets must be authorised by the fund's management committee.

##### (b) Project account

The project account is restricted for use of specific project income and expenditure. This includes monies received and relating to project grants.

#### 5 Assets subject to a restriction

Funds received for research generally consist of two components. The first component is a management fee that can be used by the Foundation to manage the project and meet operating and administrative costs. The second component is to be directed in its entirety towards future research projects. There is generally a timing difference between earning income and the matching expenditure. Income received for projects is considered to be restricted income to the extent that it is to be matched by expenditure. When income is earned in a year and the matched expenditure is less than the income earned, the surplus amount is moved from retained earnings to the restricted funds reserve. Conversely, where the matched expenditure in any given year is greater than the income earned, the shortfall amount is moved from the restricted funds reserve to retained earnings.

In the years when restricted fund reserve increases, there will be a negative effect on retained earnings for the year. Conversely, in the years when the restricted fund reserve decreases, there will be a positive effect on retained earnings for the year. Over the long term, the position is neutral on the basis that all restricted funds received are fully expended.

Funds from bequests, sponsorships and interest earned on project funds are also considered to be restricted. The primary bequest was received during 2009 from Sir Ian McFarlane. The board has resolved to separately invest these funds with the earnings to be used to fund lectures and training.



## 5 Assets subject to a restriction (continued)

	2016 \$	2015 \$
<i>Funds recognised as restricted reserves:</i>		
ZooX fund	-	527,661
eReefs	1,515,256	2,160,300
Reef Resilience fund	259,735	1,575,000
Sir Ian MacFarlane bequest	162,058	160,832
Resilient Reefs	1,241,335	1,156,955
Sponsorships	9,092	17,869
Other	775,772	119,034
Balance at 31 December	<u>3,963,248</u>	<u>5,717,651</u>

## 6 Current assets - Trade and other receivables

	2016 \$	2015 \$
Grants, donations and royalties receivable	896,760	3,837,280
Interest receivable	4,278	3,987
Other receivables	496	-
Goods and services tax (GST) receivable	174,351	-
	<u>1,075,885</u>	<u>3,841,267</u>

The Foundation has recognised no losses in respect to the impairment of trade receivables during the year ended 31 December 2016 (2015: nil). There were no material trade receivables past their due date at 31 December 2016.

## 7 Current assets - Financial assets

	2016 \$	2015 \$
Term deposit held as security	<u>205,411</u>	<u>181,723</u>

## 8 Current assets - Other current assets

	2016 \$	2015 \$
Deposits paid	11,946	14,738
Prepayments	<u>39,400</u>	<u>13,830</u>
	<u>51,346</u>	<u>28,568</u>

## 9 Non-current assets - Property, plant and equipment

	Plant and equipment \$	Leased plant and equipment \$	Artwork \$	Total \$
<b>At 1 January 2015</b>				
Cost	141,247	21,342	10,400	172,989
Accumulated depreciation	(87,362)	(14,952)	(4,651)	(106,965)
Net book amount	53,885	6,390	5,749	66,024
<b>Year ended 31 December 2015</b>				
Opening net book amount	53,885	6,390	5,749	66,024
Additions	20,973	-	2,716	23,689
Disposals	(707)	-	-	(707)
Depreciation charge	(11,394)	(720)	(581)	(12,695)
Closing net book amount	62,757	5,670	7,884	76,311
<b>At 31 December 2015</b>				
Cost	158,680	21,342	13,118	193,140
Accumulated depreciation	(95,923)	(15,672)	(5,234)	(116,829)
Net book amount	62,757	5,670	7,884	76,311
<b>Year ended 31 December 2016</b>				
Opening net book amount	62,757	5,670	7,884	76,311
Additions	32,512	-	9,172	41,684
Disposals	(51,665)	(5,193)	(2,507)	(59,365)
Depreciation charge	(13,547)	(477)	(869)	(14,893)
Closing net book amount	30,057	-	13,680	43,737
<b>At 31 December 2016</b>				
Cost	43,793	-	19,572	63,365
Accumulated depreciation	(13,736)	-	(5,892)	(19,628)
Net book amount	30,057	-	13,680	43,737

## 10 Non-current assets - Intangible assets

	Trademarks at cost \$	Total \$
<b>At 1 January 2015</b>		
Cost	27,474	27,474
Accumulation amortisation	(11,194)	(11,194)
Net book amount	16,280	16,280
<b>Year ended 31 December 2015</b>		
Opening net book amount	16,280	16,280
Additions	455	455
Amortisation charge **	(2,857)	(2,857)
Closing net book amount	13,878	13,878
<b>At 31 December 2015</b>		
Cost	27,929	27,929
Accumulation amortisation	(14,051)	(14,051)
Net book amount	13,878	13,878
<b>Year ended 31 December 2016</b>		
Opening net book amount	13,878	13,878
Additions	4,777	4,777
Amortisation charge **	(3,201)	(3,201)
Closing net book amount	15,454	15,454
<b>At 31 December 2016</b>		
Cost	32,706	32,706
Accumulated amortisation	(17,252)	(17,252)
Net book amount	15,454	15,454

\*\* Amortisation of \$3,201 (2015: \$2,857) is included in depreciation and amortisation expense in profit or loss.

## 11 Current liabilities - Trade and other payables

	2016 \$	2015 \$
Accounts payable	538,598	233,814
Science project accrued expenses	305,700	173,105
Goods and services tax (GST) payable	760	58,189
	845,058	465,108

No interest is charged on trade payables. The Foundation has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

## 12 Provisions

	Current	2016 Non-current	Total	Current	2015 Non-current	Total
	\$	\$	\$	\$	\$	\$
Provision for employee benefits	76,935	19,616	96,551	128,129	14,410	142,539

## 13 Funds

### (a) Reserves

	2016 \$	2015 \$
Restricted funds reserve	3,963,248	5,717,651

#### Movements:

##### *Restricted funds reserve*

Balance at 1 January	5,717,651	3,337,095
Transfer to retained operating surplus (restricted expenses)	(7,619,009)	(4,839,068)
Transfer from retained operating surplus (restricted income)	5,864,606	7,219,624
Balance at 31 December	3,963,248	5,717,651

### (b) Retained operating surplus

Movements in retained operating surplus were as follows:

	2016 \$	2015 \$
Balance at 1 January	742,962	598,509
Net operating surplus (deficit) for the year	(1,823,688)	2,525,009
Net transfer from retained operating surplus to restricted fund reserves	1,754,403	(2,380,556)
Balance at 31 December	673,677	742,962

## 14 Contingent liabilities

The Foundation had no contingent liabilities at 31 December 2016 (2015: nil).

## 15 Commitments

### (a) Capital and other commitments

Grant expenditure contracted for at the reporting date but not recognised as liabilities is:

	2016 \$	2015 \$
<b><i>eReefs projects payable:</i></b>		
Within one year	1,962,463	2,949,000
Later than one year but not later than five years	-	1,816,100
	<u>1,962,463</u>	<u>4,765,100</u>
<b><i>Resilient Reefs projects payable:</i></b>		
Within one year	704,247	517,294
Later than one year but not later than five years	-	35,000
	<u>704,247</u>	<u>552,294</u>
<b><i>Reef Resilience projects payable:</i></b>		
Within one year	1,170,000	2,480,000
Later than one year but not later than five years	1,845,000	3,015,000
	<u>3,015,000</u>	<u>5,495,000</u>
<b><i>Other projects payable:</i></b>		
Within one year	198,000	-
Later than one year but not later than five years	164,000	-
	<u>362,000</u>	<u>-</u>

Contracts for revenue are committed and in place to cover the above listed commitments over the five year period.

### (b) Lease commitments: Foundation as lessee

#### (i) Non-cancellable operating leases

	2016 \$	2015 \$
Commitments in relation to leases contracted for at the end of each reporting period but not recognised as liabilities, payable:		
Within one year	115,412	99,754
Later than one year but not later than five years	460,015	7,394
	<u>575,427</u>	<u>107,148</u>



## 16 Related party transactions

### (a) Key management personnel

	2016 \$	2015 \$
Key management personnel compensation	<u>845,634</u>	<u>408,344</u>

An increase in key management compensation in 2016 is due to costs associated with the transition of Managing Directors and an organisational restructure which resulted in the creation of two new Director level positions.

Great Barrier Reef Foundation Board members and other Executive Committee members are comprised entirely of volunteers. No fees are paid for serving as a volunteer board or committee member.

### (b) Other transactions with key management personnel or entities related to them

#### *Directors of Great Barrier Reef Foundation*

Some of the directors are donors in their own right or are directors of companies which have donated monies to the Foundation.

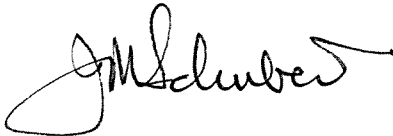
Aggregate amounts of donations received from related parties of Great Barrier Reef Foundation:

	2016 \$	2015 \$
<b><i>Amounts recognised as revenue</i></b>		
Grants and donations received	<u>2,007,987</u>	<u>3,686,441</u>

In the directors' opinion:

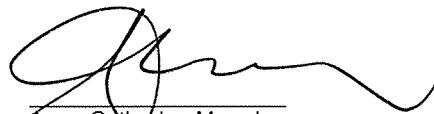
- (a) the financial statements and notes set out on pages 9 to 27 are in accordance with the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:
  - (i) complying with accounting standards and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Foundation's financial position as at 31 December 2016 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of directors.



John Michael Schubert AO  
Chairman

9 March 2017



Anna Catherine Marsden  
Managing Director

9 March 2017

## Independent Auditor's Report to the Members of Great Barrier Reef Foundation

### *Opinion*

We have audited the financial report of Great Barrier Reef Foundation (the Foundation), which comprises the statement of financial position as at 31 December 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration as set out on pages 9 to 28.

In our opinion the financial report of Great Barrier Reef Foundation has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Foundation's financial position as at 31 December 2016, and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

### *Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Foundation in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Other Information*

The Directors are responsible for the other information. The other information comprises the information included in the Foundation's annual report for the year ended 31 December 2016, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## *Responsibilities of Management and the Directors for the Financial Report*

Management of the Foundation is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the ACNC Act, and for such internal control as management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the Foundation's financial reporting process.

## *Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management and the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU

A handwritten signature in black ink, appearing to be "Tendai Mkwanzani".

Tendai Mkwanzani

Partner

Chartered Accountants

Brisbane, 13 March 2017





# **Great Barrier Reef Foundation**

ABN 82 090 616 443

## **Annual report for the year ended 31 December 2017**

**Great Barrier Reef Foundation** ABN 82 090 616 443  
**Annual report - 31 December 2017**

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**Great Barrier Reef Foundation**  
**Annual report for the year ended 31 December 2017**

**Directors' report**

Following the events in 2016 which saw the loss of large parts of the Great Barrier Reef due to coral bleaching, the Foundation immediately recognised the need to step up and do more. We started 2017 with a desire and determination to accelerate the impact of everything we do – the projects we enable, the way we raise money and how we use our voice. Even against the backdrop of a second mass coral bleaching event, we are pleased to say that the Great Barrier Reef Foundation, in its capacity as the lead charity for the Great Barrier Reef, made a difference.

2017 marked a transition year for our projects. Signature projects such as eReefs and Resilient Reefs Successfully Adapting to Climate Change were completed and the resulting tools and insights were implemented and began to deliver impact to the work of managers, government, scientists and conservation groups. We also started work on a number of new signature projects under a refreshed program portfolio focused on fewer, larger projects under the themes of innovation, resilience and restoration.

We are pleased to report that at the end of 2017 the majority of these new projects have secured critical seed funding and we look forward to launching these new endeavours in 2018.

There was unanimous support through the International Science Advisory Committee (ISAC), the Chairman's Panel, our board and our team that the flagship project for the Foundation for the next decade will centre around Reef Restoration and Adaptation. From a small idea presented at a Chairman's Panel event in 2016, this concept has evolved into what will become the largest and most ambitious marine science and engineering challenge ever undertaken in Australia. The goal is simple: to rebuild the reefs we have lost and to build them stronger in the process. Significant work was undertaken in 2017 to socialise this concept to leaders across government, research and industry which has led to a fully funded definition phase commencing in 2018.

Against these larger efforts, we were delighted with the promising results from some of our smaller, pilot projects. It remains a constant message from our ISAC members to always be open to bright, new, out of the box thinking, and to have the courage to invest in these riskier projects because any one of them could hold the turning point in its process and solution. Even at pilot stage, projects such as RangerBot and Larval Reseeding have changed the landscape and provided a step change in reef management.

In 2017, the way we talk about the Great Barrier Reef reached a turning point. The loss of coral and the negative impacts of water quality and climate change have been well documented – everyone has heard the bad news. And while the seriousness of these threats cannot be denied, there is growing evidence that material improvements in the outlook of species and ecosystems are possible through a combination of scientific research and conservation actions. There is good news to share alongside the bad. However when people don't know or hear enough about the good news, we are at risk of the world seeing the challenge of saving the Reef as being too hard and therefore switching off – akin to a 'learned helplessness'.

We recognise the Foundation has an increasingly powerful role to play as a trusted, independent voice for the Reef. To bring hope to the outlook for the Reef, to tell the world that Australia does care about the Reef and that Australians are doing everything they can to save it.

In June the Foundation launched a new report by Deloitte Access Economics that provided an economic, social and icon value of the Great Barrier Reef. The report revealed the value of the Reef to be \$56 billion, a natural asset that contributes \$6.4 billion to the Australian economy annually and supports 64,000 jobs. The contents of this report provide a key piece of the case for investing in reef protection and we know many have and will continue to use this document in their future decision making. The release of the report was a timely reminder of just how engaged the world is in what is happening to the Great Barrier Reef. In a 24 hour period more than 3000 media articles were published with a global audience reach of over 50 million. Today, this report remains the most downloaded report ever produced by Deloitte.

At its core the Foundation raises money to ensure a Great Barrier Reef for future generations and we are pleased that in 2017 we distributed \$5,163,981 in funding for reef projects. This direct investment is only due to the commitment and support of a number of people and institutions. At the heart of our success is a determined and talented team and supporting them is a remarkable and inspirational board of directors. We draw great strength and insight from working closely with our research partners such as the Department of National Parks, Sport and Racing, Bureau of Meteorology, Great Barrier Reef Marine Park Authority,

Australian Institute of Marine Science, CSIRO, James Cook University, University of Queensland, QUT and the Queensland and Australian governments.

The Foundation's family of supporters ranges from Australia's most iconic brands to small businesses in regional Australia, from leading philanthropists to children fundraising in their street. Each day we are overwhelmed by the passion with which people embrace this cause and we are committed to ensuring each dollar trusted to us goes to the Reef and has an impact.

We're regularly asked how the Foundation can be so optimistic when there is so much loss and the future of the world's reefs is so uncertain. Some of our optimism comes from the fact that our team is surrounded by amazing and brilliant minds who are dedicating everything to solving this problem. Some of our optimism comes from the fact that there has never been a greater spirit of collaboration amongst the marine science community. But at its core what we believe at the Foundation is this. We recognise the task ahead will not be easy and we don't know all the answers – yet. But it is not too late to save our reefs. There is work that can be, and is being, done. There are solutions we can uncover and there are things we can all do as individuals, as communities, as businesses and as policy makers. There is no option other than to do everything we can so our grandchildren can enjoy the gift that is the Great Barrier Reef.

We are grateful for your support, it matters and is making a difference.

### **Principal activities**

The principal activity of the Foundation is to support the protection and enhancement of tropical reefs (especially the Great Barrier Reef) and adjoining coral coasts for the benefit of the world community including through the funding and provision of research, information and education. There were no significant changes to the nature of the activities carried out by the Foundation during the year.

### **Review of results and operations**

The Foundation made an operating deficit of \$1,339,246 this year (2016: operating deficit \$1,823,689).

At year-end, \$2,742,322 (2016: \$3,963,249) is considered tied or restricted funds for application towards future research project commitments.

### **Operations**

The number of full time employees at reporting date was six (2016: six). The capacity of this small team is supplemented by the Foundation's network of supporters and partners, in particular its pro bono partners and International Science Advisory Committee.

#### *Pro bono partners*

The Foundation is very fortunate to be supported by a prestigious group of pro bono partners and greatly appreciates the value and quality of service provided by these organisations.

The Australian firms and companies that provided pro bono services in 2017, include:

Deloitte (Audit & Consulting)  
Allens Linklaters (Legal)  
KPMG (Company Secretarial and Compliance, Consulting)  
PwC Australia (Accounting)  
Google (Advertising)  
Leo Burnett (Branding)  
GOA (Advertising)  
Venture Pro (Consulting)  
Hamilton Island (Accommodation)  
BCM (Creative Services)  
Big Fish Creative (IT Services, Creative)  
JSA Creative (Web Design & Creative Services)

In the last twelve months, these firms and businesses have collectively provided pro bono services valued at \$831,405 (2016: \$266,534).

#### *Project investments*

At 31 December 2017, the Foundation had research investment contracts, in aggregate, totalling \$20,755,821. The Foundation endeavours to leverage investments with co-contributions from the relevant research institutions and, as appropriate, cash from other parties.



During 2017 the principal beneficiaries of research funding by the Foundation were as follows:

<i>Institution</i>	<i>Expenditure (\$)</i>
Bureau of Meteorology	1,225,000
Department of National Parks, Sport and Racing	1,170,000
Queensland University of Technology	620,000
Australian Institute of Marine Science	571,063
CSIRO	565,482
The University of Queensland	509,186
Great Barrier Reef Marine Park Authority	200,000
UNSW Australia	107,370
James Cook University	104,800
Cooperative Research Centre for Polymers Ltd	30,000
Other	24,080
Yuka-Baja	20,000
Southern Cross University	10,000
Fitzroy Basin Association Inc	3,500
Reef Check	3,500
<b>Total</b>	<b>\$5,163,981</b>

#### **Benchmarking:**

##### *Administration costs*

Our donors naturally expect that the majority of their donation will be used to protect the Great Barrier Reef, and not be directed to administration overheads. In keeping with industry best practice, the Foundation is committed to striving to limit administrative and fundraising expenses to 20%. In 2017 the percentage of total income required to fund administration and fundraising expenses was 19.7% (2016: 18.1%).

#### **Directors and meetings of directors (01/01/2017 – 31/12/2017)**

Directors	Board start date	No. of meetings eligible to attend	No. of meetings attended
John Michael Schubert AO (Chairman) <i>BCEng (Hons 1), PhD (Chem Eng), FIEAust, CPEng, FTS, FICHEM</i>	11/04/2001	4	4
Anna Catherine Marsden (Managing Director) <i>BArts</i>	25/03/2016	4	4
Michael Andrew Cameron <i>BBus, FCPA, FCA, FAICD</i>	09/06/2010	4	2
Maureen Ann Dougherty <i>BMEng, MEng, Fellow of the Royal Aeronautical Society</i>	04/11/2015	4	4
Stephen Charles Fitzgerald <i>BEcon</i>	25/11/2010	4	3
Paul Fawcett Greenfield AO <i>BEcon Qld, BE (Hons) NSW, PhD NSW, FIE Aust, FTSE, FICHEMEng, MAIChe</i>	21/12/2007	4	2
Grant King <i>BEng, MMA, FAICD</i>	28/11/2017	0	0
Amanda Therese McCluskey <i>BEcon (Hons)</i>	31/08/2009	4	3
Peter Edward Mason <i>AM, BCom (Hons), MBA, Hon.DBus, FAICD</i>	25/03/2015	4	1
John Francis Mulcahy <i>BE (First Class Hons), PhD (Civil Eng)</i>	12/05/2006	4	2
Russell Evan Reichelt <i>BSc PhD, FAICD, FTSE</i>	31/08/2004	4	3
Stephen Hunter Roberts <i>BEc</i>	24/11/2015	4	4

Steven Andrew Sargent <i>BBus, Fellow with the Australian Academy of Technological Sciences and Engineering</i>	18/02/2015	4	3
Phillip David Strachan <i>BCom, FCPA</i>	23/12/2003	4	4
Keith Henry Tuffley <i>BEC, LLM, Grad Dip Applied Fin and Invest</i>	22/11/2006	4	3
David John Turner <i>FCA</i>	28/07/2007	4	3

The Foundation has established a number of committees who meet regularly and advise the board on a number of key issues.

#### **Audit, Risk and Compliance Committee**

Phillip David Strachan (Chair)  
Clayton Neil Herbert  
Trevor Mahony  
Anthony Rose

No. of meetings eligible to attend	No. of meetings attended
4	4
4	4
4	3
4	4

#### **Portfolio Committee**

John Francis Mulcahy (Chair)  
Paul Fawcett Greenfield AO  
Anna Catherine Marsden  
Rachel Parry  
Russell Evan Reichelt  
John Michael Schubert AO

No. of meetings eligible to attend	No. of meetings attended
1	1
1	1
1	1
1	0
1	1
1	1

#### **Nominations Committee – Nil meetings held in 2017**

John Michael Schubert AO (Chair)  
Stephen Charles Fitzgerald  
Paul Fawcett Greenfield AO  
John Francis Mulcahy

#### **Philanthropy Committee – Nil meetings held in 2017**

Stephen Hunter Roberts (Chair)  
Stephen Charles Fitzgerald  
Anna Catherine Marsden  
Keith Henry Tuffley

#### **Company Secretary**

Kerri Suzanne Ryan (since 30/11/2011)

**International Scientific Advisory Panel**

The International Scientific Advisory Panel, chaired by Professor Paul Greenfield AO, advises the Foundation's board and management on the direction of the science and the progress of science investments. The Foundation is grateful to the eminent group of leaders from Reef management and research institutions under whose leadership and governance the research program is developed, delivered and quality assured.

**Dividends**

The Foundation is a company limited by guarantee and is restricted from declaring any dividends.

**Insurance of officers**

During the financial year, the Foundation paid a premium of \$5,499 (2016: \$5,499) including stamp duty, a broker's fee and GST, to insure the directors and secretary and senior officers of the Foundation.

**Proceedings on behalf of the Foundation**

No proceedings have been brought or intervened in on behalf of the Foundation which requires the leave of the Court under section 237 of the *Corporations Act 2001*.

**Indemnification of officers and auditor**

Under section 65 of the Foundation's constitution, the Foundation indemnifies each person who is or has been a director or secretary of the Foundation. The indemnity relates to any liability (other than liability to the Foundation or related body corporate, pecuniary penalties or compensation orders and liability that did not arise out of conduct in good faith) which results directly or indirectly from facts or circumstances relating to service as a director or secretary of the Foundation and extends to the payment of legal costs described therein.

The Foundation has not otherwise during or since the financial year indemnified or agreed to indemnify an auditor of the Foundation or of any related body corporate against a liability incurred as such as an auditor.

**Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required under subdivision 60 C of the *Australian Charities and Not-for-profits Commission Act* is set out on page 7.

**Environmental regulation**

The Foundation's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the board believes that the Foundation has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Foundation.

**Remuneration report**

No director of the Foundation has received or become entitled to receive a benefit, by reason of a contract made by the Foundation with the director of a related company, other than in the case of the current Managing Director, whose remuneration is determined by the board.

**Employee numbers**

The number of full time employees at reporting date was six (2016: six). Five part-time staff are employed in roles relating to science, marketing, communications and accounting.

**Members' guarantee**

The Foundation is a public company limited by guarantee. Members are nominated and determined in accordance with the Constitution. If the Foundation is wound up, the constitution states that each member is required to contribute a maximum of \$10.00 towards meeting any outstanding obligations of the Foundation. As at 31 December 2017, the number of members was 127 (2016: 123).

### State government fundraising legislation requirements

Several state governments in Australia have specific licensing and reporting requirements implemented to inform and protect the interests of donors and regulate fundraising operations.

The Foundation holds the following licences:

- Queensland, the principal place of its operations: *Collections Act 1966, Certificate of Sanction Number: CP5118*
- New South Wales: *Charitable Fundraising Act 1991, Charitable fundraising number: CFN/24247*
- Tasmania: *section 6 of Collections for Charities Act 2001: C/10381*
- Melbourne: *The Fundraising Act 1998: Registration number: 14114*
- Western Australia: *Charitable Collections Act 1946: Licence No: CC 22070*

### Key Australian Government legislative and regulatory requirements

The *Australian Charities and Not-for-profits Commission Act* sets out laws dealing with registration of a business entity as a charity. From 1 January 2014, the Foundation (in its capacity as a large registered charity with an annual revenue >\$1m) must submit an annual information statement, a financial report and an audit report (auditing the Financial Statements) to the Australian Charities and Not-for-profits Commission.

Environmental organisations, including the Foundation, are required to comply with the requirements of the Australian Government Department of the Environment and Energy and the Australian Taxation Office in order to remain on the Register of Environmental Organisations (REO). This register lists environmental organisations, like the Foundation, which are eligible to receive tax deductible donations. This register was established under item 6.1.1 subsection 30-55(1) of the *Income Tax Assessment Act 1997*.

### Likely developments and expected results of operations

Through its International Science Advisory Committee, the Foundation has adopted a new research focus around Reef recovery: building the Reef's resilience through innovations in monitoring, protection and restoration. The Foundation has a number of signature research projects in development in line with this theme. With a large program of existing projects currently under management, significant effort is being, and will continue to be, dedicated to overseeing delivery of this work and enabling its adoption by reef managers and policy makers.

### Events subsequent to reporting day

On 29 April 2018 the Australian Government announced a new funding investment through the Reef Trust which included a partnership with the Great Barrier Reef Foundation to implement Great Barrier Reef protection activities aligned with the Reef 2050 Plan as amended from time to time.

The partnership will include an initial grant of \$443,300,000 from the Reef Trust paid in full in the 2018 financial year for delivery of outcomes over the following six years inclusive of 2023-24.

No other matters or circumstances have occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Foundation, the result of those operations or the state of affairs of the Foundation in subsequent financial years.

This report is made in accordance with a resolution of the directors.



John Michael Schubert  
Chairman

8/5/18



Anna Catherine Marsden  
Managing Director

8/5/18

The Board of Directors  
Great Barrier Reef Foundation  
Level 13, 300 Ann Street  
BRISBANE QLD 4000

8 May 2018

Dear Board Members

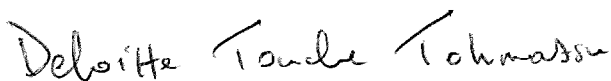
## Great Barrier Reef Foundation

In accordance with Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the directors of Great Barrier Reef Foundation.

As lead audit partner for the audit of the financial statements of Great Barrier Reef Foundation for the financial year ended 31 December 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit;
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

  
DELOITTE TOUCHE TOHMATSU

  
Tendai Mkwanzani  
Partner  
Chartered Accountants



## **Corporate governance statement**

Great Barrier Reef Foundation (the Foundation) is a not for profit public company limited by guarantee, incorporated under the *Corporations Act 2001*. Ultimate responsibility for the governance of the Foundation rests with the board of directors. This governance statement outlines how the board meets that responsibility.

The board's primary role is to ensure that the Foundation's activities are directed towards achieving its mission: the raising and provision of funding to support research contributing to the environmental protection, enhancement, preservation and conservation of tropical reefs (especially the Great Barrier Reef) and adjoining coral coasts.

All members of the board of directors are appointed through the constitution and are themselves members of the company. Non executive directors serve in an honorary capacity and do not receive remuneration for their role. Directors and senior staff have formal duties under company law and are kept apprised of these, using professional advice when necessary. There are conflict of interest provisions in the constitution and in company law, applicable to the directors, together with an internal protocol.

The Foundation's constitution governs the regulations of meetings and proceedings of the board of directors, together with the procedures for appointment and replacement of directors. The board regularly reviews the skills and experience necessary for its activities and currently considers it appropriate that there is the following mix: business management, ecological and scientific, financial, legal, marketing and philanthropic.

In addition to those matters required by the constitution and company law, the board's principal roles are to:

- approve the annual budget;
- receive and review regular and comprehensive financial and investment reports;
- oversee risk management analysis;
- make final decisions with respect to research projects;
- prepare and approve policy statements;
- determine strategic and long term objectives.

The Audit, Risk and Compliance Committee monitors the Foundation's financial activities and performance. The Audit, Risk and Compliance Committee may call on external advice from outside parties as required. It:

- reviews the accounts and assists in development of annual budgets and long term projections;
- provides strategic financial advice and support to management;
- review of risk management register and strategies;
- advises the board on financial matters including property acquisition, the formation of policies and guidelines related to financial management, and the monitoring of financial performance.

The Portfolio Committee is appointed to assist in providing advice to the board on the allocation, risk and reputational aspects of investments in the portfolio. The Nominations Committee is appointed to provide advice to the Board on potential candidates that fill the requirements of key positions on the Board, sub-Committee, Advisory Committee and Managing Director roles. The Philanthropy Committee is appointed to assist in fulfilling its oversight responsibilities by monitoring and reporting to the Board on the advancement of the Foundation's philanthropic programs. This Committee guides the development and implementation of Programs to raise funds for the protection, preservation and conservation of the Great Barrier Reef and other purposes as set out in the GBRF Constitution; to provide strategic and operational direction on all matters related to the implementation of Programs; and to promote and champion philanthropic contributions to the Foundation.

The board delegates the day to day management of the Foundation to the Managing Director and oversees and monitors her performance in that regard.

The process of evaluation of the Managing Director is ongoing, and a session on key performance indicators is held with the Chairman annually. The board or its delegate conducts an annual performance review of the Managing Director. The remuneration and terms and conditions for the Managing Director are reviewed and approved by the board after seeking professional advice. The Managing Director reviews and approves remuneration and conditions for other staff in the context of agreed parameters established by the board.

Communication of the Foundation's affairs to members, supporters and the public is widely undertaken. There is direct communication through newsletters and the provision of the annual report to members. The annual report and full financial disclosure, together with the Foundation's constitution, are available online at [www.barrierreef.org](http://www.barrierreef.org)

# **Great Barrier Reef Foundation** ABN 82 090 616 443

## **Annual report - 31 December 2017**

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A description of the nature of the entity's operations and its principal activities is included in the review of operations and activities on page 2, which is not part of these financial statements.

The financial statements were authorised for issue by the directors on 8 May 2018. The directors have the power to amend and reissue the financial statements.

**Great Barrier Reef Foundation**  
**Statement of profit or loss and other comprehensive income**  
**for the year ended 31 December 2017**

	Notes	2017 \$	2016 \$
<b>Revenue</b>	2	7,715,306	8,084,358
Science investments		(5,907,940)	(7,579,709)
Employee benefits expense		(1,442,143)	(1,373,894)
Engagement and communications expense	3	(938,871)	(381,413)
Occupancy and administration expense	3	(615,114)	(419,688)
Business development costs	3	(124,822)	(73,671)
Depreciation and amortisation expense		(21,608)	(18,094)
Loss on disposal of fixed assets		-	(57,954)
Finance costs		(4,054)	(3,623)
<b>Operating (deficit) surplus before income tax</b>		<b>(1,339,246)</b>	<b>(1,823,688)</b>
Income tax expense		-	-
<b>Operating (deficit) surplus for the year</b>		<b>(1,339,246)</b>	<b>(1,823,688)</b>
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive (loss) income for the year</b>		<b>(1,339,246)</b>	<b>(1,823,688)</b>
Operating (deficit) surplus for the year is attributable to:			
Members of Great Barrier Reef Foundation		(1,339,246)	(1,823,688)

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.*

**Great Barrier Reef Foundation**  
**Statement of financial position**  
**as at 31 December 2017**

	Notes	2017 \$	2016 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	3,110,144	4,422,101
Trade and other receivables	6	547,440	1,075,125
Financial assets	7	202,615	205,411
Other current assets	8	48,535	51,346
<b>Total current assets</b>		<u>3,908,734</u>	<u>5,753,983</u>
<b>Non-current assets</b>			
Property, plant and equipment	9	36,011	43,737
Intangible assets	10	12,030	15,454
<b>Total non-current assets</b>		<u>48,041</u>	<u>59,191</u>
<b>Total assets</b>		<u>3,956,775</u>	<u>5,813,174</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	11	352,242	844,298
Provisions	12	84,116	76,935
Deferred revenue		193,000	235,400
<b>Total current liabilities</b>		<u>629,358</u>	<u>1,156,633</u>
<b>Non-current liabilities</b>			
Provisions	12	29,738	19,616
<b>Total non-current liabilities</b>		<u>29,738</u>	<u>19,616</u>
<b>Total liabilities</b>		<u>659,096</u>	<u>1,176,249</u>
<b>Net assets</b>		<u>3,297,679</u>	<u>4,636,925</u>
<b>FUNDS</b>			
Restricted reserves	13(a)	2,742,322	3,963,248
Retained operating surplus	13(b)	555,357	673,677
<b>Total funds</b>		<u>3,297,679</u>	<u>4,636,925</u>

*The above statement of financial position should be read in conjunction with the accompanying notes.*

**Great Barrier Reef Foundation**  
**Statement of changes in equity**  
**for the year ended 31 December 2017**

	Notes	Restricted reserves \$	Retained operating surplus \$	Total equity \$
<b>Balance at 1 January 2016</b>		5,717,651	742,962	6,460,613
Surplus (deficit) for the year		-	(1,823,688)	(1,823,688)
Other comprehensive income		-	-	-
<b>Total comprehensive income for the year</b>		-	(1,823,688)	(1,823,688)
Transfer to (from) retained opening surplus to (from) restricted reserves	13	(1,754,403)	1,754,403	-
<b>Balance at 31 December 2016</b>		<b>3,963,248</b>	<b>673,677</b>	<b>4,636,925</b>
<b>Balance at 1 January 2017</b>		3,963,248	673,677	4,636,925
Surplus (deficit) for the year		-	(1,339,246)	(1,339,246)
Other comprehensive income		-	-	-
<b>Total comprehensive income for the year</b>		-	(1,339,246)	(1,339,246)
Transfer to (from) retained opening surplus to (from) restricted reserves	13	(1,220,926)	1,220,926	-
<b>Balance at 31 December 2017</b>		<b>2,742,322</b>	<b>555,357</b>	<b>3,297,679</b>

*The above statement of changes in equity should be read in conjunction with the accompanying notes.*



**Great Barrier Reef Foundation**  
**Statement of cash flows**  
**for the year ended 31 December 2017**

	2017	2016
Notes	\$	\$
<b>Cash flows from operating activities</b>		
Payments to suppliers and researchers (inclusive of goods and services tax)	(7,913,328)	(8,911,397)
Grants and donations received	7,971,563	11,799,528
Employment costs	(1,424,841)	(1,419,389)
<b>Net cash (outflow) inflow from operating activities</b>	<u>(1,366,606)</u>	<u>1,468,742</u>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment (exclusive of goods and services tax)	(10,458)	(41,684)
Term deposits held as bank guarantees	2,796	(23,688)
Payments for patents and trademarks	-	(4,777)
Proceeds from sale of property, plant and equipment (exclusive of goods and services tax)	-	1,410
Interest received	62,311	95,585
<b>Net cash inflow from investing activities</b>	<u>54,649</u>	<u>26,846</u>
<b>Net cash inflow from financing activities</b>	<u>-</u>	<u>-</u>
<b>Net (decrease) increase in cash and cash equivalents</b>	(1,311,957)	1,495,588
Cash and cash equivalents at the beginning of the financial year	4,422,101	2,926,513
<b>Cash and cash equivalents at end of year</b>	4 <u>3,110,144</u>	<u>4,422,101</u>

*The above statement of cash flows should be read in conjunction with the accompanying notes.*

## 1 Summary of significant accounting policies

This note provides a list of all significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Great Barrier Reef Foundation.

### (a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*. Great Barrier Reef Foundation is a not-for-profit entity for the purpose of preparing the financial statements.

#### (i) Compliance with Australian Accounting Standards - Reduced Disclosure Requirements

The financial statements of the Great Barrier Reef Foundation comply with Australian Accounting Standards - Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB).

#### (ii) Historical cost convention

These financial statements have been prepared under the historical cost convention.

#### (iii) New and amended standards adopted by the Foundation

The Foundation has applied the following standards and amendments for the first time in their annual reporting period commencing 1 January 2017:

- AASB 2016-2 *Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 107*, and
- AASB 2017-2 *Amendments to Australian Accounting Standards - Further Annual Improvements 2014-2016 Cycle*.

The adoption of these standards did not have any impact on the current period or any prior period and is not likely to affect future periods:

- AASB 2017-1 *Amendments to Australian Accounting Standards - Annual Improvements 2014-2016 Cycle and Other Amendments*.

As these amendments merely clarify the existing requirements, they do not affect the Foundation's accounting policies or any of the disclosures.

#### (iv) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2017 reporting periods and have not been early adopted by the Foundation. The Foundation's assessment of the impact of these new standards and interpretations is set out below.

## 1 Summary of significant accounting policies (continued)

### (a) Basis of preparation (continued)

Title of standard	Nature of change	Impact	Mandatory application date/ Date of adoption by the Foundation
AASB 9 <i>Financial Instruments</i>	AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In December 2014, the AASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard.	Following the changes approved by the AASB in December 2014, the Foundation no longer expects any impact from the new classification, measurement and derecognition rules on the Foundation's financial assets and financial liabilities. There will also be no impact on the Foundation's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Foundation does not have any such liabilities.	Must be applied for financial years commencing on or after 1 January 2018. The Foundation will apply the new rules from 1 January 2018, with the practical expedients permitted under the standard. Comparatives for 2017 will not be restated.
Title of standard	Nature of change	Impact	Mandatory application date/ Date of adoption by the Foundation
AASB 15 <i>Revenue from Contracts with Customers</i>	The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.	The Foundation expects that this standard will have an impact on its financial statements but the materiality of this impact is not yet fully known. The Foundation has begun undertaking an impact assessment to determine the full effect of the new standard as well as the non-profit specific revenue recognition changes of AASB 1058. This impact assessment is expected to be completed in the first half of 2018. The Foundation will also be developing a framework of processes to ensure compliance.	For not-for-profit entities: Mandatory for financial years commencing on or after 1 January 2019. Expected date of adoption by the Foundation: 1 January 2019. The Foundation intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 January 2019 and that comparatives will not be restated.

## 1 Summary of significant accounting policies (continued)

### (a) Basis of preparation (continued)

Title of standard	Nature of change	Impact	Mandatory application date/ Date of adoption by the Foundation
AASB 1058 <i>Income of Not-for-Profit Entities</i>	AASB 1058 was released 20 December 2016. This will replace AASB 1004 which covers the receiving of contributions by not-for-profit entities. The new standard aims to ensure that income recognition better reflects performance obligations.	The materiality of the impact of this standard on the financial statements of the Foundation is not yet fully known. The Foundation has begun an impact assessment of the effects of the new standard as well as effects of the revenue recognition changes of AASB 15. This impact assessment is expected to be completed in the first half of 2018.	For not-for-profit entities: Mandatory for financial years commencing on or after 1 January 2019. Expected date of adoption by the Foundation: 1 January 2019.
Title of standard	Nature of change	Impact	Mandatory application date/ Date of adoption by the Foundation
AASB 16 <i>Leases</i>	AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.	The only significant operating lease is the lease of premises in Ann Street, Brisbane. An asset and associated liability is expected to be recognised for this lease upon adoption of this Standard. A periodic amortisation and interest charge is expected to be recognised in the statement of profit or loss and other comprehensive income, the amounts of which are not expected to be material.	Mandatory for financial years commencing on or after 1 January 2019. At this stage, the Foundation does not intend to adopt the standard before its effective date. The Foundation intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

#### (v) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Foundation's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

### (b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns and duties and taxes paid.

Revenue is recognised for the major business activities using the methods outlined below.

#### (i) Interest

Interest revenue is recognised when the interest entitlement has been earned.

## 1 Summary of significant accounting policies (continued)

### (b) Revenue recognition (continued)

#### *(ii) Donations*

Income from donations is recognised at the earlier of when the donation is received or entitled to be received by the Foundation.

#### *(iii) Corporate grants*

Income from corporate grants is recognised when the grant is entitled to be received by the Foundation.

#### *(iv) Government grants*

Grants received from government are recognised as revenue to the extent they have been received into the Foundation's bank account or are entitled to be received by the Foundation at year end.

#### *(v) Royalties*

Revenue from royalties is recognised when the royalty is earned.

#### *(vi) In-kind donations*

In-kind donations, such as the provision of goods and services from pro bono partners, are recognised as revenue when provided to the Foundation. These in-kind donations are also recorded as a matching asset or expense depending on the nature of the service provided.

### (c) Income tax

The Foundation is a tax exempt entity and is therefore not liable for income tax.

### (d) Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Foundation as lessee are classified as operating leases (note 15). Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

### (e) Acquisition of assets

The purchase method of accounting is used to account for all acquisitions of assets. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

### (f) Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

### (g) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.



## 1 Summary of significant accounting policies (continued)

### (h) Trade and other receivables

Trade and other receivables are recognised at cost, less provision for impairment.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade and other receivables) is used when there is objective evidence that the Foundation will not be able to collect all amounts due according to the original terms of the receivables.

### (i) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Foundation and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

- |                          |              |
|--------------------------|--------------|
| - Furniture and fittings | 2 - 20 years |
| - Plant and equipment    | 2 - 10 years |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(f)).

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the statement of profit or loss and other comprehensive income.

### (j) Intangible assets

#### (i) Trademarks and licences

Trademarks and licences have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives, which vary from 5 to 10 years.

Trademarks that do not have a finite useful life are carried at cost less accumulated impairment.

### (k) Trade and other payables

These amounts represent liabilities for goods and services provided to the Foundation prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade payables and other accounts payable are recognised when the Foundation becomes obliged to make future payments resulting from the purchase of goods and services.

### (l) Provisions

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

## 1 Summary of significant accounting policies (continued)

### (m) Employee benefits

#### (i) *Wages, salaries and annual leave*

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date, are recognised in provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

#### (ii) *Other long-term employee benefit obligations*

Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Foundation in respect of services provided by employees up to reporting date.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

#### (iii) *Sick leave*

Liabilities for non-accumulating sick leave are not recognised by the Foundation in its annual report.

#### (iv) *Superannuation*

The Foundation makes compulsory superannuation contributions in accordance with the superannuation guarantee charge. Any superannuation accrued and not paid at balance date is recognised as a liability.

### (n) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST recognised is part of the cost of acquisition of the asset or as part of the item of expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

**Great Barrier Reef Foundation**  
**Notes to the financial statements**  
**31 December 2017**  
(continued)

## 2 Revenue

	2017	2016
	\$	\$
Project grants received	1,657,000	1,694,564
Government research contributions	1,983,925	3,710,250
Donations	1,402,697	690,109
Pro bono services	831,405	266,534
Donations - Chairman's Panel	744,000	728,500
Grants received - project fees	552,075	675,393
Membership fees - Chairman's Panel	190,000	174,800
Royalties - cause related marketing	63,657	27,096
Interest income	60,330	95,877
Other revenue	230,217	21,235
	<u>7,715,306</u>	<u>8,084,358</u>

## 3 Expenses

	2017	2016
	\$	\$
<b>Surplus (deficit) before income tax includes the following specific expenses:</b>		
<b><i>Employee benefits</i></b>		
Defined contribution superannuation expense	<u>120,013</u>	119,460
<b><i>Business development</i></b>		
Pro bono services	-	2,000
Expenses other than pro bono services	<u>124,822</u>	71,671
	<u>124,822</u>	73,671
<b><i>Occupancy and administration</i></b>		
Pro bono services	257,211	117,355
Expenses other than pro bono services	<u>357,903</u>	302,333
	<u>615,114</u>	419,688
<b><i>Engagement and communications</i></b>		
Pro bono services	574,193	147,179
Expenses other than pro bono services	<u>364,678</u>	234,234
	<u>938,871</u>	381,413

#### 4 Current assets - Cash and cash equivalents

	2017 \$	2016 \$
Bank deposits	1,635,691	3,745,993
Operating accounts	167,414	283,100
Public fund accounts	324,779	237,763
Project accounts	982,260	155,245
	<u>3,110,144</u>	<u>4,422,101</u>

##### (a) Public fund monies

The Foundation is registered as an environmental organisation under legislative requirements in the *Income Tax Assessment Act*.

One of the mandatory constitutional requirements of environmental organisations includes the establishment and maintenance of a public fund:

- to which gifts of money or property for its principal purpose are to be made; and
- to which any money received because of such gifts is to be credited; and
- that does not receive any other money or property.

The release of monies from the public fund account and the management of, and sale of, public fund assets must be authorised by the fund's management committee.

##### (b) Project account

The project account is restricted for use of specific project income and expenditure. This includes monies received and relating to project grants.

#### 5 Assets subject to a restriction

Funds received for research generally consist of two components. The first component is a management fee that can be used by the Foundation to manage the project and meet operating and administrative costs. The second component is to be directed in its entirety towards future research projects. There is generally a timing difference between earning income and the matching expenditure. Income received for projects is considered to be restricted income to the extent that it is to be matched by expenditure. When income is earned in a year and the matched expenditure is less than the income earned, the surplus amount is moved from retained earnings to the restricted funds reserve. Conversely, where the matched expenditure in any given year is greater than the income earned, the shortfall amount is moved from the restricted funds reserve to retained earnings.

In the years when restricted fund reserve increases, there will be a negative effect on retained earnings for the year. Conversely, in the years when the restricted fund reserve decreases, there will be a positive effect on retained earnings for the year. Over the long term, the position is neutral on the basis that all restricted funds received are fully expended.

## 5 Assets subject to a restriction (continued)

Funds from bequests, sponsorships and interest earned on project funds are also considered to be restricted. The primary bequest was received during 2009 from Sir Ian MacFarlane. The board has resolved to separately invest these funds with the earnings to be used to fund lectures and training.

The board and management consider the following net assets to be restricted for application towards future research projects:

	2017 \$	2016 \$
<i>Funds recognised as restricted reserves:</i>		
eReefs	1,618,631	1,515,256
Reef Resilience fund	133,045	259,735
Sir Ian MacFarlane bequest	151,277	162,058
Reef Island Refuge Initiative	212,500	-
Resilient Reefs	-	1,241,335
Sponsorships	9,092	9,092
Other	617,777	775,772
Balance at 31 December	<u>2,742,322</u>	<u>3,963,248</u>

## 6 Current assets - Trade and other receivables

	2017 \$	2016 \$
Grants, donations and royalties receivable	328,785	896,760
Interest receivable	2,298	4,278
Goods and services tax (GST) receivable	144,500	173,591
Other receivables	110,457	496
Provision for impairment of receivables	(38,600)	-
	<u>547,440</u>	<u>1,075,125</u>

The Foundation has recognised \$77,960 in losses in respect to the write off and impairment of trade receivables during the year ended 31 December 2017 (2016: nil). There is \$131,600 in trade receivables past their due date at 31 December 2017. A provision has been raised in the current year based on historical information on collectability.

## 7 Current assets - Financial assets

	2017 \$	2016 \$
Term deposit held as security	<u>202,615</u>	<u>205,411</u>



## 8 Current assets - Other current assets

	2017 \$	2016 \$
Deposits paid	32,533	11,946
Prepayments	16,002	39,400
	<u>48,535</u>	<u>51,346</u>

## 9 Non-current assets - Property, plant and equipment

	Plant and equipment \$	Leased plant and equipment \$	Artwork \$	Total \$
<b>At 1 January 2016</b>				
Cost	158,680	21,342	13,118	193,140
Accumulated depreciation	(95,923)	(15,672)	(5,234)	(116,829)
Net book amount	<u>62,757</u>	<u>5,670</u>	<u>7,884</u>	<u>76,311</u>
<b>Year ended 31 December 2016</b>				
Opening net book amount	62,757	5,670	7,884	76,311
Additions	32,512	-	9,172	41,684
Assets included in a disposal group classified as held for sale and other disposals	(51,665)	(5,193)	(2,507)	(59,365)
Depreciation charge	(13,547)	(477)	(869)	(14,893)
Closing net book amount	<u>30,057</u>	<u>-</u>	<u>13,680</u>	<u>43,737</u>
<b>At 31 December 2016</b>				
Cost	43,793	-	19,572	63,365
Accumulated depreciation	(13,736)	-	(5,892)	(19,628)
Net book amount	<u>30,057</u>	<u>-</u>	<u>13,680</u>	<u>43,737</u>
<b>Year ended 31 December 2017</b>				
Opening net book amount	30,057	-	13,680	43,737
Additions	5,865	-	4,593	10,458
Depreciation charge	(16,106)	-	(2,078)	(18,184)
Closing net book amount	<u>19,816</u>	<u>-</u>	<u>16,195</u>	<u>36,011</u>
<b>At 31 December 2017</b>				
Cost	49,657	-	24,165	73,822
Accumulated depreciation	(29,841)	-	(7,970)	(37,811)
Net book amount	<u>19,816</u>	<u>-</u>	<u>16,195</u>	<u>36,011</u>

## 10 Non-current assets - Intangible assets

	Trademarks at cost \$	Total \$
<b>At 1 January 2016</b>		
Cost	27,929	27,929
Accumulation amortisation	(14,051)	(14,051)
Net book amount	<u>13,878</u>	<u>13,878</u>
<b>Year ended 31 December 2016</b>		
Opening net book amount	13,878	13,878
Additions	4,777	4,777
Amortisation charge **	(3,201)	(3,201)
Closing net book amount	<u>15,454</u>	<u>15,454</u>
<b>At 31 December 2016</b>		
Cost	32,706	32,706
Accumulation amortisation	(17,252)	(17,252)
Net book amount	<u>15,454</u>	<u>15,454</u>
<b>Year ended 31 December 2017</b>		
Opening net book amount	15,454	15,454
Amortisation charge **	(3,424)	(3,424)
Closing net book amount	<u>12,030</u>	<u>12,030</u>
<b>At 31 December 2017</b>		
Cost	32,706	32,706
Accumulated amortisation	(20,676)	(20,676)
Net book amount	<u>12,030</u>	<u>12,030</u>

\*\* Amortisation of \$3,424 (2016: \$3,201) is included in depreciation and amortisation expense in profit or loss.

## 11 Current liabilities - Trade and other payables

	2017 \$	2016 \$
Accounts payable	89,392	538,598
Science project accrued expenses	262,850	305,700
	<u>352,242</u>	<u>844,298</u>

No interest is charged on trade payables. The Foundation has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

## 12 Provisions

	2017			2016		
	Current	Non-current	Total	Current	Non-current	Total
	\$	\$	\$	\$	\$	\$
Provision for employee benefits	84,116	29,738	113,854	76,935	19,616	96,551

## 13 Funds

### (a) Reserves

	2017	2016
	\$	\$
Restricted funds reserve	2,742,322	3,963,248

#### Movements:

##### *Restricted funds reserve*

Balance at 1 January	3,963,248	5,717,651
Transfer to retained operating surplus (restricted expenses)	(5,832,495)	(7,619,009)
Transfer from retained operating surplus (restricted income)	4,611,569	5,864,606
Balance at 31 December	2,742,322	3,963,248

### (b) Retained operating surplus

Movements in retained operating surplus were as follows:

	2017	2016
	\$	\$
Balance at 1 January	673,677	742,962
Net operating surplus (deficit) for the year	(1,339,246)	(1,823,688)
Net transfer from retained operating surplus to restricted fund reserves	1,220,926	1,754,403
Balance at 31 December	555,357	673,677

## 14 Contingent liabilities

The Foundation had no contingent liabilities at 31 December 2017 (2016: nil).

## 15 Commitments

### (a) Capital and other commitments

Grant expenditure contracted for at the reporting date but not recognised as liabilities is:

	2017 \$	2016 \$
<b><i>eReefs projects payable:</i></b>		
Within one year	392,363	1,962,463
	<u>392,363</u>	<u>1,962,463</u>
<b><i>Reef Resilience projects payable:</i></b>		
Within one year	855,000	1,170,000
Later than one year but not later than five years	990,000	1,845,000
	<u>1,845,000</u>	<u>3,015,000</u>
<b><i>Other projects payable:</i></b>		
Within one year	181,500	198,000
Later than one year but not later than five years	-	164,000
	<u>181,500</u>	<u>362,000</u>

Contracts for revenue are committed and in place to cover the above listed commitments over the five year period.

### (b) Lease commitments: Foundation as lessee

#### (i) Non-cancellable operating leases

	2017 \$	2016 \$
Commitments in relation to leases contracted for at the end of each reporting period but not recognised as liabilities, payable:		
Within one year	121,819	115,412
Later than one year but not later than five years	354,752	460,015
	<u>476,571</u>	<u>575,427</u>

## 16 Related party transactions

### (a) Key management personnel

	2017 \$	2016 \$
Key management personnel compensation	<u>884,596</u>	<u>845,634</u>

Great Barrier Reef Foundation Board members and other Committee members are comprised entirely of volunteers. No fees are paid for serving as a volunteer board or committee member.

### (b) Other transactions with key management personnel or entities related to them

#### *Directors of Great Barrier Reef Foundation*

Some of the directors are donors in their own right or are directors of companies which have donated monies to the Foundation.

Aggregate amounts of donations received from related parties of Great Barrier Reef Foundation:

	2017 \$	2016 \$
<b><i>Amounts recognised as revenue</i></b>		
Grants and donations received	<u>814,987</u>	<u>2,007,987</u>

## 17 Events occurring after the reporting period

On 29 April 2018 the Australian Government announced a new funding investment through the Reef Trust which included a partnership with the Foundation to implement Great Barrier Reef protection activities aligned with the Reef 2050 Plan as amended from time to time. The partnership will include an initial grant of \$443,300,000 from the Reef Trust paid in full in the 2018 financial year for delivery of outcomes over the following six years inclusive of 2023-24.

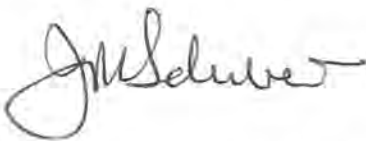
No other matters or circumstances have occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Foundation, the results of those operations or the state of affairs of the Foundation in subsequent financial years.

**Great Barrier Reef Foundation  
Directors' declaration  
31 December 2017**

In the directors' opinion:

- (a) the financial statements and notes set out on pages 9 to 27 are in accordance with the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:
  - (i) complying with accounting standards and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Foundation's financial position as at 31 December 2017 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of directors.



John Michael Schubert AO  
Chairman

8 May 2018



Anna Catherine Marsden  
Managing Director

8 May 2018



## Independent Auditor's Report to the Members of Great Barrier Reef Foundation

### *Opinion*

We have audited the financial report of Great Barrier Reef Foundation (the Foundation), which comprises the statement of financial position as at 31 December 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration as set out on pages 9 to 28.

In our opinion, the accompanying financial report of Great Barrier Reef Foundation is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (the "ACNC Act"), including:

- (i) giving a true and fair view of the Foundation's financial position as at 31 December 2017, and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Regime and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

### *Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Foundation in accordance with the auditor independence requirements of the ACNC Act and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Other Information*

The Directors are responsible for the other information. The other information comprises the information included in the Foundation's annual report for the year ended 31 December 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *Responsibilities of the Directors for the Financial Report*

The Directors of the Foundation are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Regime and the ACNC Act, and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the ability of the Foundation to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

## *Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU



Tendai Mkwanzani  
Partner  
Chartered Accountants  
Brisbane, 8 May 2018

## Appendix 6: Final Report from Resilient Reefs Successfully Adapting to Climate Change Program

# Resilient Reefs Successfully Adapting to Climate Change

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*Final report December 2017*

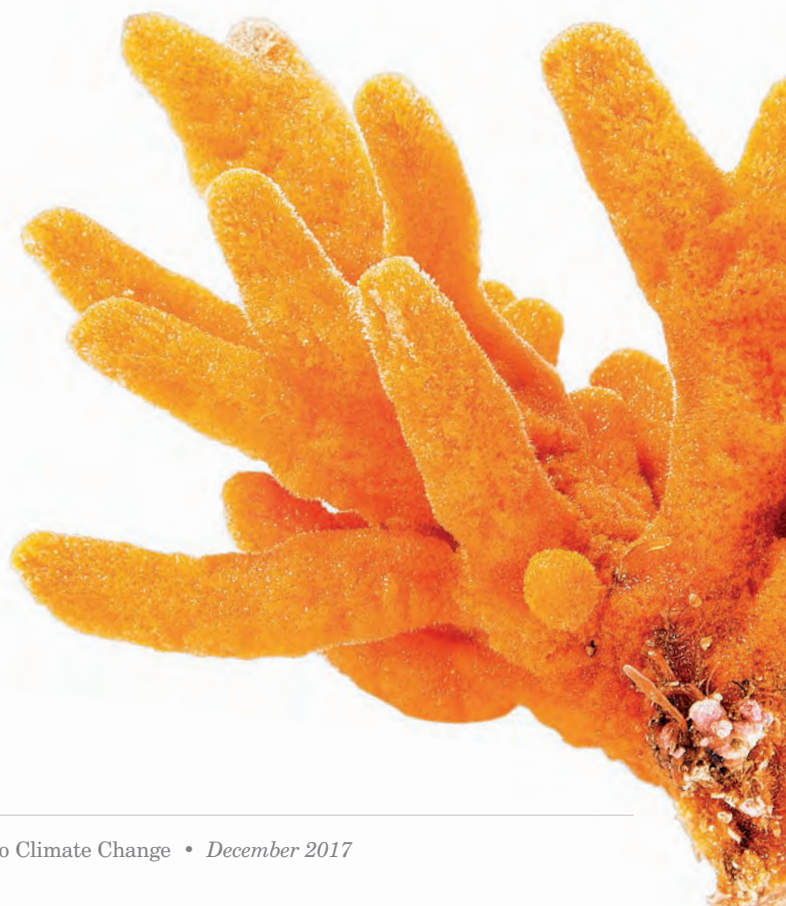


Great Barrier  
Reef Foundation

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# 1 Executive Summary

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In July 2013, the Great Barrier Reef Foundation commenced the Resilient Reefs Successfully Adapting to Climate Change Program. The aim of this program was to provide knowledge and tools to inform management of the Reef in the face of a changing and increasingly variable climate.

Over this four-year period the impacts of climate change on the Great Barrier Reef have been on a scale never-before seen. Three category 4 or 5 cyclones and back to back bleaching events in 2016 and 2017 have resulted in a 50% decline in coral cover in the shallow regions of the Great Barrier Reef.

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*Without a doubt, the major achievement of the program has been delivery of two new tools for reefs – eReefs and a decision support tool tailored specifically for resilience-based management.*

---

It is obvious now, more than ever, that we urgently need to develop and scale innovative new approaches, tools and solutions, to give the Reef a fighting chance in the face of unprecedented pressures. This has been the sole focus of the Resilient Reefs Program, made possible by a \$12.5M grant from the Australian Government.

Through this program we have delivered more than 30 projects, partnered with 15 national and international research institutions, and matched every dollar received from the Australian Government with a \$2.11 cash contribution from government, corporate or philanthropic donors and a \$1 co-contribution from research institutions. We have shared the positive stories of hope arising from the program with more than 18 million people from around the world and collectively generated more than 37 publications in peer reviewed journals with 35 more in preparation.

We have substantially increased foundational data on the Great Barrier Reef through the release of the first open source coral genome library containing the genomes of nine cornerstone Great Barrier Reef coral species and their algal and microbial symbionts, and through the generation of the first whole-of-reef baseline for ocean acidification.

We have implemented four successful pilot projects ranging from a novel test for detecting stress in corals, to a surface film for shading reefs, to the cryopreservation of 15 Great Barrier Reef corals by applying the same techniques used for human IVF treatments.

Without a doubt, the major achievement of the program has been delivery of two new tools for reef management – a prototype resilience mapping tool for identifying reefs essential for reef recovery following a disturbance event, and eReefs which has already been used to develop water quality targets, generate the Reef water quality report cards, identify the rivers contributing most to crown-of-thorns starfish outbreaks, and assess the feasibility of novel reef interventions.

From its inception this program has centred on the needs of those who are charged with the management of Australia's iconic Great Barrier Reef. Through the new partnerships we have brokered, and the projects we have designed, we have succeeded in delivering outputs that are being used for reef planning, reporting, protection and management today.

All of these achievements have only been made possible through partnerships with brilliant reef scientists, dedicated reef managers, and our committed funders – corporate, philanthropic and government – in particular the Australian Government Department of Environment and Energy. The Great Barrier Reef Foundation has enjoyed working with all of you to deliver this program and we look forward to future collaborations to take these achievements to the next level for the benefit of coral reefs around the world.





2 new management tools

*(eReefs, resilience-based management support tool)*



>3:1 return

on investment – every \$1 of funding was matched with \$3 of other funding



3 new tools for monitoring

*reef health (light thresholds for seagrass, semi-automatic monitoring of bleaching and disease, 3D habitat structure)*



12 PhDs



3 new foundational data sets

*(coral genome data, ocean chemistry data, Great Barrier Reef calcification rate data)*



64

scientific, peer reviewed publications



4 novel pilot projects

*(surface films, metabolomic stress test for corals, larval re-seeding, cryo-preservation of coral gametes)*



14

Book chapters and reports



106

International conference presentations



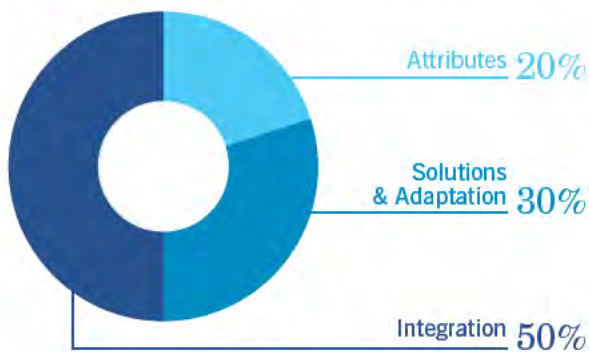


## 2 Program Outcomes

The overarching objective of the program is to provide new knowledge and tools to inform Reef managers in the face of climate change.

Over the four years, the program has transitioned from a starting portfolio with a focus on attributes of a resilient reef (comprising 50% of a total of 16 Round 1 projects), to a final portfolio of large integrated projects with a clear management focus. Over the life of the program, 50% of the funding has been allocated to large, integrated and multi-institutional projects.

Relative proportion of allocation of funds for each portfolio stream



The following section provides outcomes of the Resilient Reefs Successfully Adapting to Climate Change Program on a project or thematic level with a clear line of sight to the original program objective.

### 2.1 New tools for monitoring

Management effectiveness and compliance require monitoring. You cannot manage what you can't measure and you can't enforce regulation if you can't measure impact. Monitoring forms a fundamental part of the management system for the Great Barrier Reef and will underpin the reporting against the actions and targets of the Reef 2050 Plan.

The Reef 2050 Integrated Monitoring, Modelling and Reporting Program (RIMReP) will guide the future of monitoring on the Great Barrier Reef. Through its development, it has been made clear that new methods and measures need to be developed and considered.

A range of novel monitoring, mapping and modelling tools have been developed under this program. Below are three examples of these projects, each focused on a specific tool, threshold or metric.





## Coral Health: Bleaching and disease<sup>1</sup>

Principal investigator: Prof. Bill Leggat



### Applied outcomes:

- ✓ A rapid, reliable and accurate impact and stress assessment tool
- ✓ Applicable across species once baseline levels have been established

Environmental metabolomics is opening new avenues for monitoring ecosystem health. It measures the impact of stress on organisms by directly measuring changes in metabolism. Use of metabolomics provides reef managers with rapid, reliable and accurate assessments of the amount of stress that organisms such as corals and seagrasses have been exposed to. The real power of metabolomics is that it can differentiate between specific stresses – for example stress due to poor water quality or stress from elevated sea surface temperatures present differently. This means you can measure an impact from a specific stressor, or specify what action to take to reduce stress following a specific response (for example stop dredging if the stress response is specific to sedimentation stress).

The team has deliberately taken an approach of developing sampling and analysis methods that are robust and field relevant. By doing this they have delivered a quick and accessible workflow that can be used by managers, rangers and development proponents without the need for sensitive, complex and expensive scientific equipment.

### Results

- Developed a rapid, reliable and accurate impact and stress assessment tool.
- Method developed to be robust and field relevant.
- Metabolic response of corals to both CO<sub>2</sub> and temperature stress can be detected before any visual effects.



- Specific metabolic markers are associated with specific stressors, thus allowing the development of stress specific test kits.
- The method is applicable to both coral and seagrass and is likely to be applicable to any organism once baseline data is available.
- Capable of measuring sub-lethal stress and recovery.
- Can be used by proponents to monitor their environmental impacts.

### Next steps

- GBRMPA have been involved in discussions around how to roll out this tool as part of their permit and compliance system.
- An ARC Linkage proposal will use an existing permit application to validate its utility.

<sup>1</sup> Round 1-4, total budget \$350,000



## Seagrasses – growth, diversity and localized effects on pH<sup>2</sup>

Principal investigator: Dr Catherine Collier



### Applied outcomes:

- ✓ New metrics for seagrass health
- ✓ Incorporated into the Reef report card metrics
- ✓ Underpinning the seagrass model in eReefs

This research project tested the response of two seagrass attributes – growth and diversity – to environmental change (warming, ocean acidification, and water quality) and developed key indicators for the Reef Integrated Monitoring and Reporting Program (RIMReP).

### Results

- Ocean acidification can increase the productivity of seagrasses in the short term. These effects are strongly influenced by water quality, where light limitation is the primary driver of decreased productivity.
- Lack of genetic diversity will reduce the capacity of seagrass populations to adapt under increasing climate stress and a possible loss of ability to set seed. All four seagrass indicator species had significantly reduced, or a total loss of, genetic diversity and increased clonality at the edge of populations' range.
- A number of indicators including water temperature, light and energetic status were identified for consideration in the Reef 2050 Integrated Monitoring and Reporting Program. These indicators are now being applied to measure change and to apply light (turbidity) thresholds. Water temperature indicators are also available for immediate implementation.
- Energetic status is a new and novel indicator, and is a precursor to a resilience indicator that has wide-reaching application including providing quantitative predictions for the Great Barrier Reef Outlook Report. Seagrass energetic status can be predicted from the seagrass climate change risk model and was developed from measured data on photosynthesis and respiration.



### Next steps

- The seagrass model and the thresholds will be incorporated into the RIMReP.
- Research is continuing to further refine models and improve threshold predictions.

<sup>2</sup> Round 1-3, total budget \$470,000



## 3D structures and coral community composition in a changing ocean<sup>3</sup>

Principal investigators: Prof. Maria Byrne,  
Dr Renata Ferrari, Assoc. Prof. Will Figueira



THE UNIVERSITY OF  
**SYDNEY**

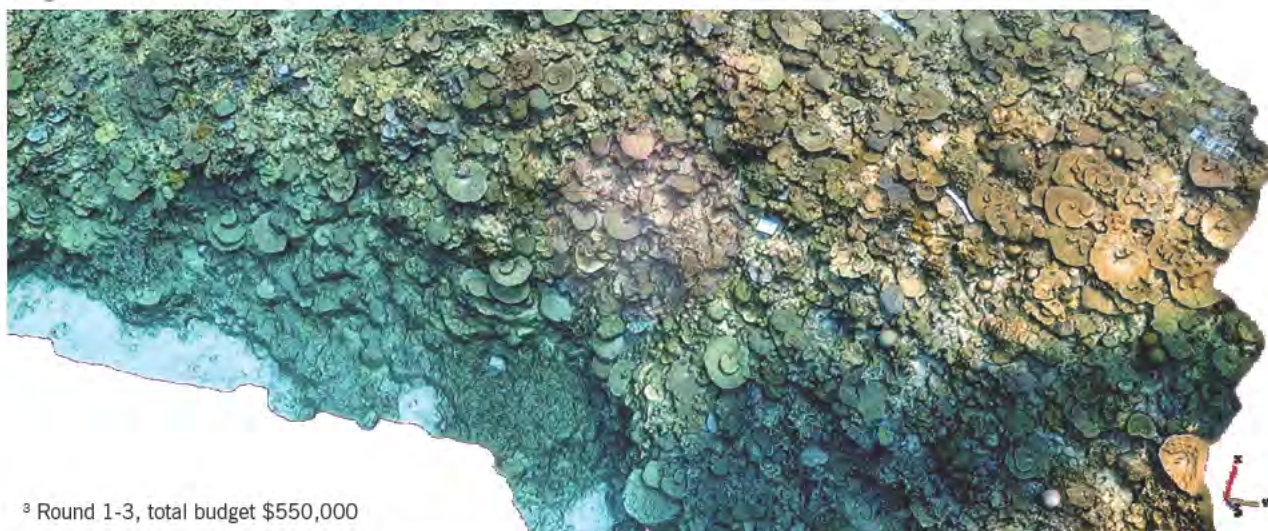
### Applied outcomes:

- ✓ New metric for reef ecosystem health
- ✓ Off the shelf 3D monitoring prototype
- ✓ A baseline data set of 3D habitat structure before and after bleaching

The structural complexity of coral reefs contributes greatly to their enormous diversity, providing a diverse and variable habitat for marine species. The more complex a reef system is, the more resilient it tends to be. Therefore, the ability to accurately measure and monitor the complex structures of coral reefs is a vital tool in the face of a changing climate.

This research project developed metrics and tools to monitor and investigate the correlation between coral reef habitat structure and ocean warming and acidification. The project also focused on evaluating the precision of both off the shelf and cheaper in-house tools.

Image: R.Ferrari



<sup>3</sup> Round 1-3, total budget \$550,000

## Results

- A baseline data set of 3D habitat structure for the Great Barrier Reef was produced, covering a total of 36 coral colonies, 29 reef flats, 36 reef patches and 84 reef slopes.
- The relationship between coral morphology and habitat structure is strong and predictive and should be taken into account in coral reef monitoring.
- Solid data collection protocols for monitoring reef habitat structures were developed, including a ready-made, cost effective method that can easily be adopted by managers and research groups.
- Data collection methods that work on both reef flats and reef slopes, which require different imaging techniques and data processing, were developed.
- The effects of bleaching on habitat structure are vastly variable. Beyond the obvious impact of decreasing coral life, they may at times even increase structural complexity, as slow growing massive corals are replaced with early colonising, branching species in the first stages of recovery.

## Next steps

- The 3D image capturing techniques are being used to add structural complexity to the Live Habitat Maps.
- 3D metrics are being considered for incorporation into RIMReP.

*The foundational data from the Great Barrier Reef was collected before the 2016 mass coral bleaching event. The Lizard Island site is located in the worst affected area, thus providing an opportunity to investigate the effect of ocean warming on 3D habitat structure, including community composition and structural complexity. These data can be used to parameterise climate change models for coral reef habitat structure in a warming ocean.*



## 2.2 Ocean Acidification

Carbon dioxide ( $\text{CO}_2$ ) in the oceans is in equilibrium with the  $\text{CO}_2$  in the atmosphere. Atmospheric  $\text{CO}_2$  is taken up by the seawater, where it forms carbonic acid and changes the seawater carbon chemistry. This process is called 'ocean acidification' (OA). Seawater acidity in the surface of the oceans has increased by 30% since the beginning of the Industrial Revolution. Rates of change will accelerate in the coming decades, as the buffering capacity of seawater becomes exhausted.

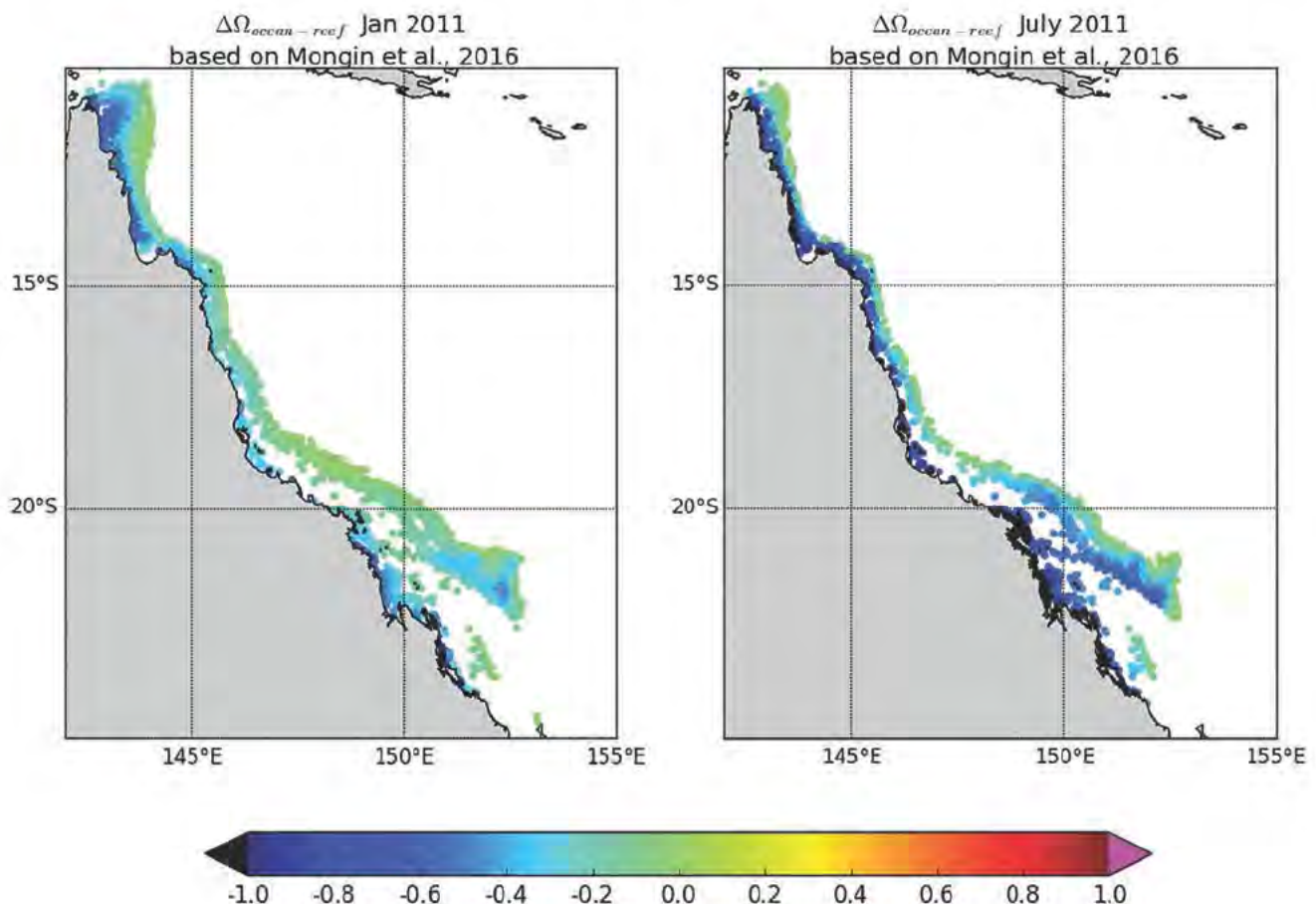
Although OA is a global issue,  $\text{CO}_2$  concentrations in the seawater vary between regions, over time, and in response to other environmental factors (biological processes, temperature, salinity). Additional  $\text{CO}_2$  is gradually removed from the atmosphere and the oceans through geological weathering and biological uptake, however this process will take many thousands of years.

Sensitivity to OA varies greatly between organisms. Some marine animals and plants, especially those with calcium carbonate skeletons or shells, are highly sensitive to small changes in seawater acidity. The ecological responses of marine ecosystems to elevated concentrations of  $\text{CO}_2$  are still poorly understood. Today's high levels of  $\text{CO}_2$  have already slowed rates of reef calcification on the Great Barrier Reef.

Unlike heat stress and more intense storms from global warming, OA is a chronic rather than an acute disturbance, hence the damage that it is causing is not as graphic and visible as the damage inflicted by storms and mass mortality from heat waves.

Through the Resilient Reefs Successfully Adapting to Climate Change, over \$2m has been invested into projects focusing on ocean acidification. This is the biggest investment into this research to date in Australia and has vastly improved our understanding of its scale and ecological impact on the Great Barrier Reef.

**Figure 1:** Coastal acidification on the Great Barrier Reef. Terrestrial runoff of nutrients leads to greater algal biomass and organic matter in the coastal and inshore Great Barrier Reef. Their respiration produces  $\text{CO}_2$  that adds to the effects of the increasing atmospheric  $\text{CO}_2$  in coastal systems. Amelioration of coastal acidification therefore can mitigate some of the stress from ocean acidification.





## Foundational data programs – ocean chemistry



AUSTRALIAN INSTITUTE  
OF MARINE SCIENCE



### Applied outcomes:

- ✓ Validation data for eReefs
- ✓ Ocean acidification data integration and visualisation
- ✓ Ecological response models

Ocean chemistry data was collected and analysed through three separate projects: Carbon budget<sup>4</sup>, Carbon chemistry<sup>5</sup>, and Future Reef<sup>6</sup>. The purpose of the Carbon budget project was to identify and characterise major drivers of carbonate chemistry to understand the Great Barrier Reef's vulnerability to ocean acidification, while the Carbon chemistry project and the Future Reef project both focus on collecting ocean chemistry data from stationary and vessel mounted systems. The Future Reef project is the only large-scale repeat CO<sub>2</sub> observing system on the Great Barrier Reef, using the Rio Tinto ship, RTM Wakmatha.

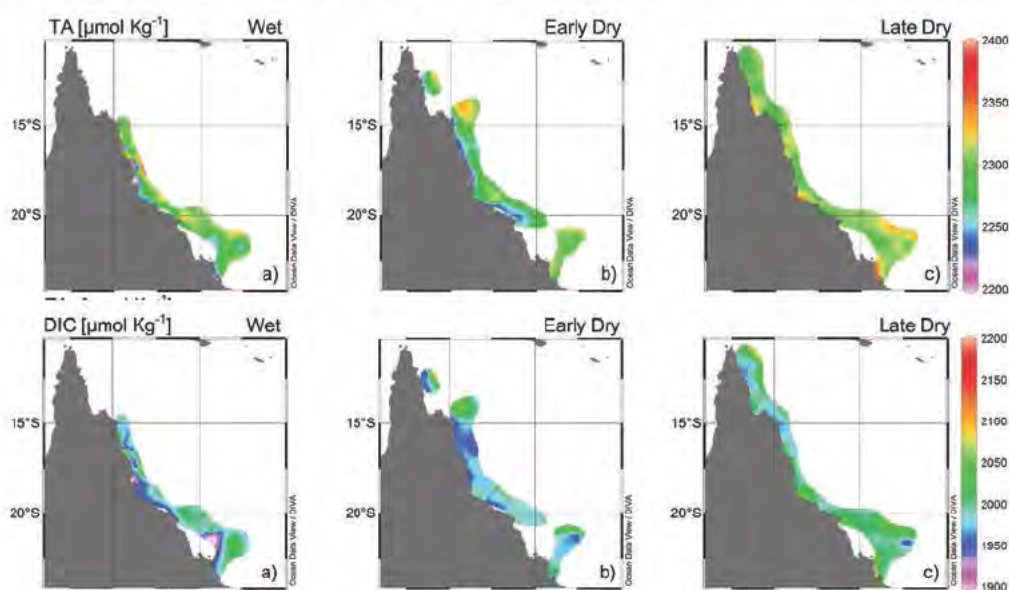
### Results

- Ocean chemistry across the Great Barrier Reef remains positive for the growth of coral, providing an environment in which it can recover from events such as bleaching and cyclones.
- Ocean chemistry, and therefore the conditions for coral growth, differs greatly between seasons with the best growing conditions due to ocean chemistry in the summer.
- Inflow from the Coral Sea is a much stronger influence on the chemistry of Reef waters than outflow from coastal rivers.

### Next steps

The instruments that have been installed and maintained through these programs will continue to collect data for AIMS and CSIRO and the data will continue to be made publicly available through existing platforms.

Figure 2. Maps of the distribution of total alkalinity (TA) and dissolved inorganic carbon (DIC) during the wet (December-March), early dry (April-July) and late dry (August-November) seasons.



<sup>4</sup> Round 1-3, total budget \$270,000 <sup>5</sup> Round 1-4, total budget \$755,000 <sup>6</sup> Round 2 allocations \$50,00 + \$1,095,017 from Rio Tinto

## Crustose coralline algae (CCA) as indicators of ocean acidification and warming<sup>7</sup>

Principal investigators:

Prof. Guillermo Diaz-Pullido, Dr Emma Kennedy



### Applied outcomes:

- ✓ Baseline and new metric for calcification
- ✓ Monitoring prototype

In the long-term, ocean acidification is likely to be a significant impact of a changing climate on the Great Barrier Reef ecosystem. As more carbon dioxide from the atmosphere is dissolved in the ocean, the water becomes more acidic. Among other impacts, this decreases the capacity of corals to build their skeletons which create important habitats for other marine life. But the impacts will vary greatly across different reef habitats and locations, hence the ability to monitor individual reefs and gain early feedback on changes is vital.

Crustose coralline algae (CCA) are integral to coral reef growth and stabilisation. They also facilitate reef recovery by encouraging settlement of coral larvae.

This research project investigated whether CCA can be used as an early warning system for changes in ocean chemistry and temperature.

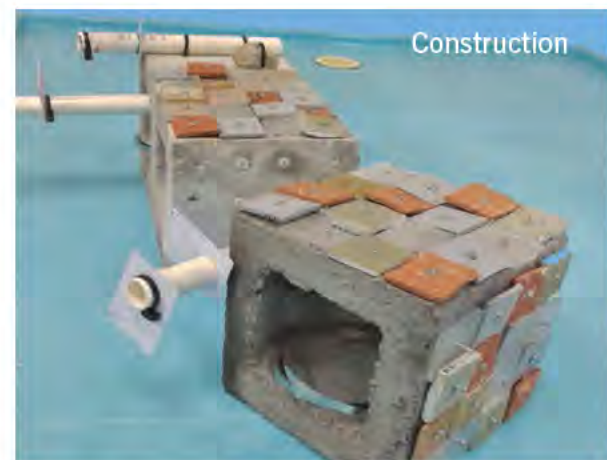
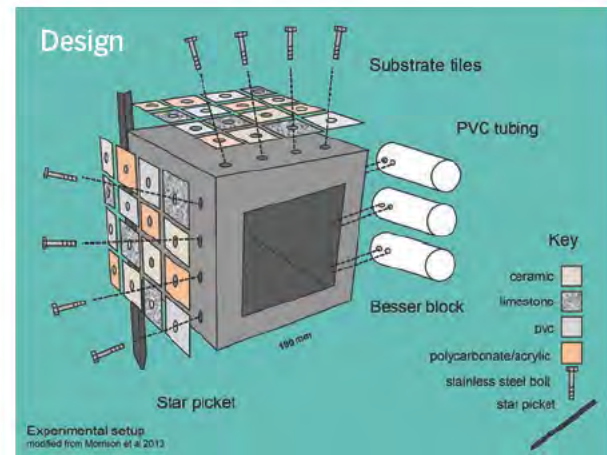
### Results

- The first comprehensive baseline of coralline algae calcification rates for the entire Great Barrier Reef was established.
- New metrics for tracking climate change, including CCA growth rate and CCA community composition were identified.
- A cost-effective calcification monitoring device was developed, which can easily be incorporated into existing reef monitoring programs (Figure 3).

### Next steps

This research forms part of the foundational knowledge around the use of CCA as a metric and the ecological role it plays in the coral reef ecosystem.

Figure 3: Calcification Monitoring Device



<sup>7</sup> Round 1-3, total budget \$550,000



## Carbon dioxide seeps: A collaborative study<sup>8</sup>

Principal investigator: Dr Katharina Fabricius



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### Applied outcomes:

- ✓ Provided ecologically relevant thresholds for ocean acidification

Two natural volcanic carbon dioxide seeps in Papua New Guinea created a unique undersea laboratory to explore how coral reefs and ecosystems are affected by increased ocean acidification. The natural CO<sub>2</sub> gradients in the seawater simulate future high CO<sub>2</sub> conditions, allowing scientists to investigate the impacts on reefs like those found on the Great Barrier Reef. Comparing data on the spatial distribution of the most and least vulnerable taxa in the Great Barrier Reef will help pinpoint areas of greatest and least concern.

### Results

The project's sub-projects each focus on a specific process or group of organisms.

- Coral recruitment: All coral larvae, regardless of origin, prefer to settle on surfaces that have come from a lower CO<sub>2</sub> environment.
- Zooplankton: Its nutritional quality remains the same but abundance is reduced under ocean acidification, so there is less food available to corals, fish and other planktivores.
- The stony coral *Galaxea fascicularis* consumes less zooplankton under ocean acidification even though the polyps exert the same effort and are the same size.
- Bioerosion: Data on rates of calcification (coral growth) indicate that erosion will out-pace calcium deposit when pH drops below 7.8
- Habitat structure: The total diversity in the habitat structures appears to be higher at the control than the high CO<sub>2</sub> sites. Preliminary data shows the chemical fingerprints from the sessile and motile communities differ in response to OA.



- Calcification/Echinoderm growth: Boring sea urchins grow faster at the high CO<sub>2</sub> sites, possibly due to greater food availability (more seaweed).

### Next steps

The outcomes from this project will continue to generate new project ideas and opportunities and the research team is applying for various grants to continue this work.

<sup>8</sup> Round 1-3, total budget \$282,500



## Ocean chemistry data integration and visualisation



### Applied outcomes:

- ✓ Comprehensive understanding of the spatial and temporal impacts of OA and the ecological responses
- ✓ Baseline data and relevant thresholds for ocean chemistry
- ✓ Validation data for eReefs
- ✓ Ocean acidification data integration and visualisation
- ✓ Ecological response models



This component of the program provides a cross-platform comparison, analysis and visualisation of the existing carbonate chemistry data within the Great Barrier Reef to improve the understanding of spatial and temporal patterns. The data was also used to skills test the current biogeochemical model of eReefs, which was used to generate ocean acidification visualisations.

### Results

- Today's high levels of CO<sub>2</sub> have already slowed rates of reef calcification on the Great Barrier Reef.
- The low carbonate saturation values observed inshore in the winter are approaching values that are considered marginal for healthy coral reef growth. However, reefs are still able to grow in all parts of the Great Barrier Reef, including the wet tropical inshore reefs where OA conditions are most critical.
- For the affected organisms of the Great Barrier Reef, respiration, but also photosynthesis and, to a lesser extent, calcification, is the biggest driver of change in today's seawater chemistry.
- Overall, the biota release more CO<sub>2</sub> rather than they take up through photosynthesis. This, together with the atmospheric CO<sub>2</sub>, leads to a net CO<sub>2</sub> increase in the Great Barrier Reef seawater.
- Today's levels of OA may already be affecting the abundances of some calcifying algae and other reef organisms on the Great Barrier Reef.
- At increasing levels of OA, coral reefs are predicted to progressively lose their resilience, because OA affects many key processes and organisms. It leads to:
  - Declining reef calcification and accelerating reef erosion,
  - Declining abundances of crustose coralline algae,
  - Declining coral recruitment, reduced reef structural complexity and biodiversity,
  - Fewer benthic foraminifera (important producers of carbonate sand on some islands),
  - Increasing abundances of some fleshy seaweed.

### Next steps

This was a one-off project to visualise outcomes from all ocean acidification projects under this program.

<sup>9</sup> Round 3-4 (total AIMS and CSIRO contracts): \$550,667



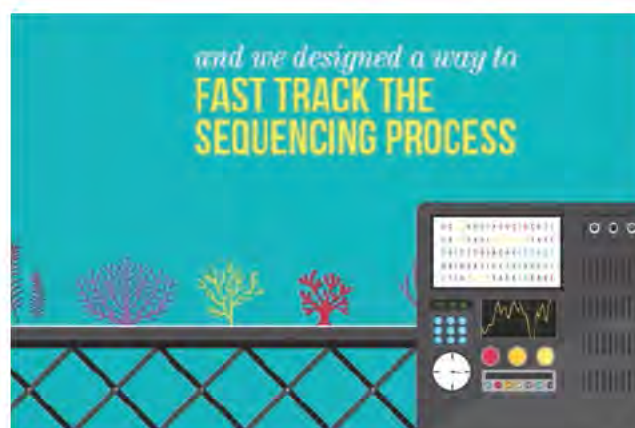
## 2.3 Reef Futures Genomics consortium<sup>10</sup>

Genomics has a role to play in health, restoration and preservation and has played a pivotal role in the fields of human medicine and agriculture. However, we are still lagging on the foundational genomic data for corals.

Access to good quality reference genome data is crucial for any efforts to understand, and possibly accelerate, the capacity for coral to adapt or acclimatise to projected climate change scenarios. Over the past three years, the Sea-quence project, co-funded by the Great Barrier Reef Foundation and Bioplatforms Australia, has catalysed the generation of foundational reference genomic data for corals and their associated algae and microbial partners. These genome-scale baseline data are expected to underpin further fundamental and applied research.

This project has built expertise in genome-scale bioinformatics in marine biology in general, and in coral reef studies in particular. It has been indispensable in enabling the consortium to develop and provide unique genome-scale data resources. The genome assemblies, annotations and analyses are a valuable resource for the Australian and international R&D community including coral biologists, field ecologists, genome scientists and reef managers.

Through access to the assembled genomes of two corals, *Pachyseris speciosa* and *Acropora tenuis* the consortium researchers were able to do a deep dive into the levels of genetic differences found between populations along two environmental gradients on the Great Barrier Reef. For *P. speciosa*, this research extended into the Coral Sea, the Red Sea and Okinawa in Japan. The population genetic analyses revealed three distinct lineages of the species, of which one is unique to the Great Barrier Reef. The *A. tenuis* data confirmed a separation of the Magnetic Island population from other sampled populations, suggesting the existence of unique populations of high conservation status at this site.



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Australian Government  
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BIOPATFORMS  
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UNIVERSITY  
AUSTRALIA



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للعلوم والتقنية  
King Abdullah University of  
Science and Technology



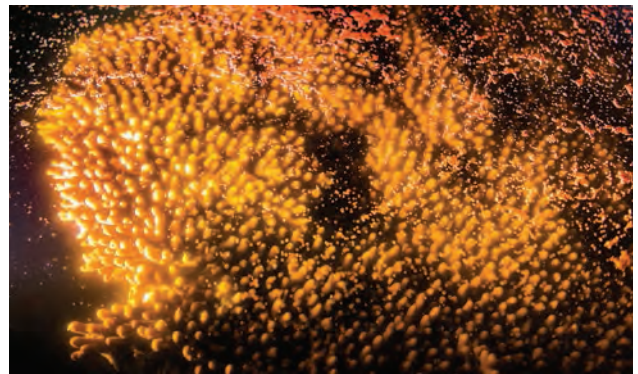
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University

## Results

- Developed a method to allow the sequencing and separation of DNA from an adult tissue sample from a coral. Previously each component had to be sequenced in isolation to allow proper assembly, thus relying on DNA from sperm (which contains no *Symbiodinium* or associated microbial DNA); thus restricting the collection of material to a single, annual reproductive event.
- Sequenced the genomes of 9 cornerstone reef-building coral species, three algal symbionts and 57 microbial populations.
- Coral genomes vary in size as well as in number of genes. This complicates the analyses and assembly, but may be useful for studies of differences between populations or individuals.
- Completed coral, *Symbiodinium* and microbe genomes are of the highest reported quality of any published or reported coral genomes to-date.
- Identified three genetically distinct lineages of the species *Pachyseris speciosa*.
  - Developed a simple diagnostic assay to accurately separate these lineages.
- The genome of the associated algae (*Symbiodinium*) is smaller than originally thought, but the difference between different clades (types) is greater than expected. They can generate all their essential nutrients by themselves (not as dependent on the coral as previously reported).
- Assembled 52 coral associated, prokaryotic population genomes, which included microbes previously thought to be unique to marine sponges.
- Uncovered novel insights into the symbiotic relationships between the coral host and its associated microbes through complete holobiont sequencing of *Porites lutea*.
- Processes include recycling of nitrogen, phosphorous and sulphur within the system as well as more complex metabolic interactions between the coral host and its symbionts.
- A range of novel sequencing tools and assembly pipelines (automated computer programs) have been tested and developed.



## Next steps:

- With the public release of the genomes, researchers from all over the world have accessed the data and are working on projects ranging from detecting species boundaries and developing genetic markers for stress tolerance to training a machine learning model to assemble genomes of complex, symbiotic organisms.
- With an increasing global focus on how to support coral reefs through climate change, gene-technologies are increasingly being considered as an option to improve stress tolerance. These methods rely heavily on foundational genomic data to be accessible.

<sup>10</sup> Round 1-3, total budget \$990,000 (Sea-quence project) Round 2-3, total budget \$100,000 (Coral genomes along environmental gradients)



## 2.4 Surface films to protect the Great Barrier Reef<sup>11</sup>

Principal investigators: Prof. David Solomon, Prof. Greg Qiao, Dr Emma Prime, Dr Joel Schofield, Dr Andrew Negri



### Applied outcomes:

- ✓ Possible local shading option to reduce coral bleaching

Research has shown that high light intensity is a significant co-factor in coral bleaching, increasing the severity of bleaching events. The rapidly warming waters that trigger severe coral bleaching tend to occur during calm, clear weather, causing increased light penetration. In a workshop focusing on novel approaches to reduce climate change impacts on the Reef, the concept of surface shade films was determined to be a feasible option for local mitigation of heat and irradiance. In 2008 the Tiffany & Co Foundation provided seed funding to initiate a project, led by the CRC for Polymers, to investigate this option. The idea was to develop an ultra-thin (a single particle) surface film to act as a shade cloth for the reef during bleaching conditions, thus aiming to reverse or avoid coral bleaching and reduce associated coral mortality.

During the initial phase, several approaches were investigated with the objective of achieving a 30% reduction in light intensity. One of three approaches that met the criteria was a particle monolayer of calcium carbonate, a particle that exists naturally on coral reefs. This approach was carried forward into phase II.

Calcium carbonate particle monolayers show an astounding 40% reduction in light intensity across all light spectrums, including ultraviolet light. Calcium carbonate is the building block of corals and other calcifying organisms, and as such the risk of adverse side effects are considered minimal.



### Results

- Mono-particle film mixtures have been optimised to reduce light by up to 70% under initial laboratory conditions.
- Films maintain performance over 100 hours when tested on salt water (compared to 24 hours on fresh water).
- When tested over coral aquaria, set up under simulated bleaching events at the National Sea Simulator (SeaSIM), the mono-particle films were proven to be environmentally safe to corals, reduce light by 18%, and protect some coral species from thermal stress and bleaching.
- A 30% reduction of light has been achieved in laboratory conditions following the learnings from the SeaSIM trials.

### Next steps

- A critical next step for this project is to improve the stability of the film in response to wave and wind action. This research is currently underway at the University of Melbourne.
- Testing efficacy of light reduction under natural sunlight.
- The Department of Environment and Energy has also expressed an interest in the project as a potential Reef Trust intervention.
- The Reef Restoration and Adaptation program proposes to have a dedicated program to conduct feasibility studies of methods to control local environments, which would include this project.

<sup>11</sup> Round 2 and 3; total budget \$100,000 (with \$223,000 co-funding by the Tiffany & Co foundation)

## 2.5 Coral Larval Restoration on the Great Barrier Reef<sup>12</sup>

Principal investigator: Prof Peter Harrison



### Applied outcomes:

- ✓ A method by which coral larvae, including naturally occurring spawn slicks can be used to re-seed degraded, larvae limited reefs

This project developed innovative techniques for coral restoration using enhanced coral larval settlement and recruitment to initiate ecological restoration of corals at Heron Island Reef.

The project was conducted during the 2016 and 2017 coral spawning and consisted of three stages.

1. Investigate the effect of larval density on survival and settlement rates of larvae and survival and growth of juveniles in an aquarium setting.
2. Field work to develop larval rearing and deployment techniques and to determine what the optimal concentration of larvae is to ensure maximum settlement and survival of the coral once deployed on the reef.
3. Long-term monitoring of surviving coral juveniles in the field.

### Results:

- Higher densities significantly increase settlement – 4 times more larvae resulted in 15 times more settlement.
- Large scale rearing of coral larvae requires very large facilities as the concentration of larvae in the tanks has a big impact on larval health and survival (low densities are required).
- Collecting naturally occurring spawn slicks is extremely weather dependent and likely not a method that can be counted on as a source of larvae.
- The 2 x 2 m mesh tents successfully ensured larvae settled within the designated area.



- There is a total of 157 juvenile corals on the settlement tiles, corresponding to a survival rate of 3.8%, which is about what can be expected, so a very good result!
- Sites that were set up as 'controls', which had no larvae added to them, had no recruits, confirming that larval re-seeding will improve recovery rates on reefs with low densities of naturally occurring larvae (adult colonies to supply larvae).

### Next steps

This program is being continued with funding from the Australian Government.

<sup>12</sup> Round 3 and 4: Total funds \$10,000 (+\$85,000 private donor)



## 2.6 Mapping networks of resilience using models, maps and long-term survey data

Resilience-based management requires access to decision support tools that translate long term trends into predicted reef trajectories through the integration of historical impact (exposures) and monitoring (decline and recovery rates) data. It also necessitates a capacity to define and identify key areas or populations that foster resilience at a local and regional scale.

The recently released Blueprint for resilience (GBRMPA) points to the need to create a network of resilience by targeting sites that will make the greatest contribution to the Reef's ecological and socio-economic resilience. This, in turn, requires detailed maps of the Reef, including current state as well as modelled prediction of variations in resilience and predicted impacts of future climate scenarios.

The Resilient Reefs Successfully Adapting to Climate Change program has funded a range of mapping and modelling projects that can be integrated to underpin such a decision support tool.





## The Great Barrier Reef live habitat map<sup>13</sup>

Principal investigator: Dr Chris Roelfsema



### Applied outcomes:

- ✓ A satellite derived, dynamic habitat map
- ✓ A means to assess possible, and model current and future, coral cover on all 2,900 reefs of the Great Barrier Reef

Baseline mapping is recognised as essential information for terrestrial environments, providing the fundamental information required for all monitoring, modelling and management activities in the public and private sectors. To date this has not been done for the Great Barrier Reef due to the sheer number of predominantly submerged reefs, making satellite image analyses difficult. The Live Habitat Map project aimed to map geomorphic zonation and model benthic cover and develop a mapping method that could be applied to the entire of the Great Barrier Reef. During this program, the focus has been on the Capricorn Bunker Group and the Cairns management area.

### Results

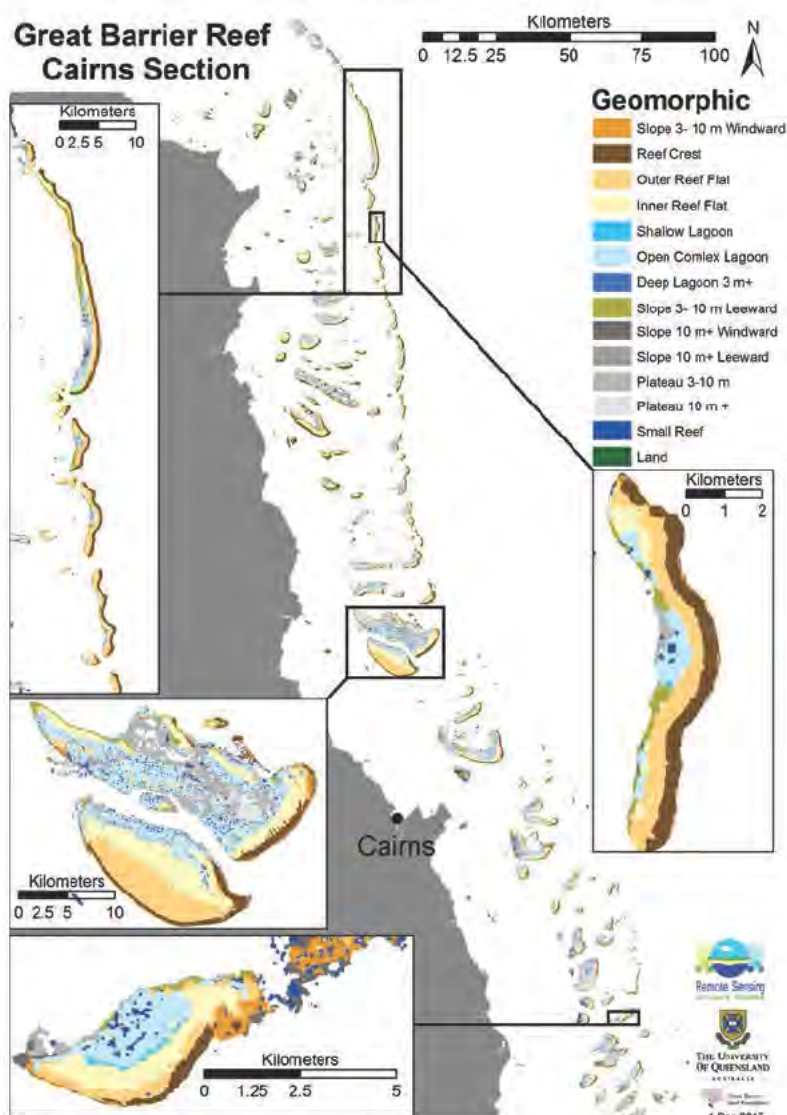
- The study used a variety of input data for the mapping and modelling which included: satellite imagery, image-derived water depth, a wave exposure model, historical impact data and actual field data. From this the team developed and validated a mapping approach for geomorphic zonation, benthic cover and dominant coral cover types. This is the first time this type of mapping has been developed and successfully applied, and it has the potential to be applied to other reef systems.

- The project showed that comprehensive habitat mapping for the entire Great Barrier Reef is feasible using the developed methods. The required resources and approaches are now available.
- The live habitat map forms the foundation of the resilience hot spot decision support tool outlined below.

### Next steps:

- A geomorphic and detailed benthic layer map for all 2,900 individual reefs of the Great Barrier Reef remains a priority need. These pilot projects have shown their value and have allowed the research team to improve their methods to ensure a top-quality product for the reef. With access to improved satellite imagery and excellent collaborative deals with the providers of corrected imagery and depth calculations, the team can produce the full Great Barrier Reef map for under \$1m.

Figure 4: The geomorphic zonation of the Cairns management area



<sup>13</sup> Round 3 & 4, total budget \$268,000 (+ \$52,800 from Google)



## CONNIE3: Dispersal on the Great Barrier Reef<sup>14</sup>

Principal investigator: Dr Scott Condie



### Applied outcomes:

- ✓ Used in a range of ongoing research projects
- ✓ Used by the GBRMPA's COTS control program
- ✓ Pilot study for connectivity models in the resilience mapping project

Quantifying larval dispersal and reef connectivity is one of the greatest technical challenges faced by coral reef scientists and managers. For corals, crown-of-thorns starfish (COTS) and many reef fishes, larval dispersal occurs during early larval phases that cannot be tracked in situ over extended periods.

Larval dispersal modelling therefore plays a key role in expanding our understanding of reef connectivity.

CONNIE (short for Connectivity Interface) is an online modelling and visualisation tool that allows users to explore dispersal patterns and connectivity based on a combination of realistic ocean currents and known physical, chemical or biological behaviours of dispersing substances or organisms.

The interface can be found at [www.csiro.au/connie/](http://www.csiro.au/connie/)

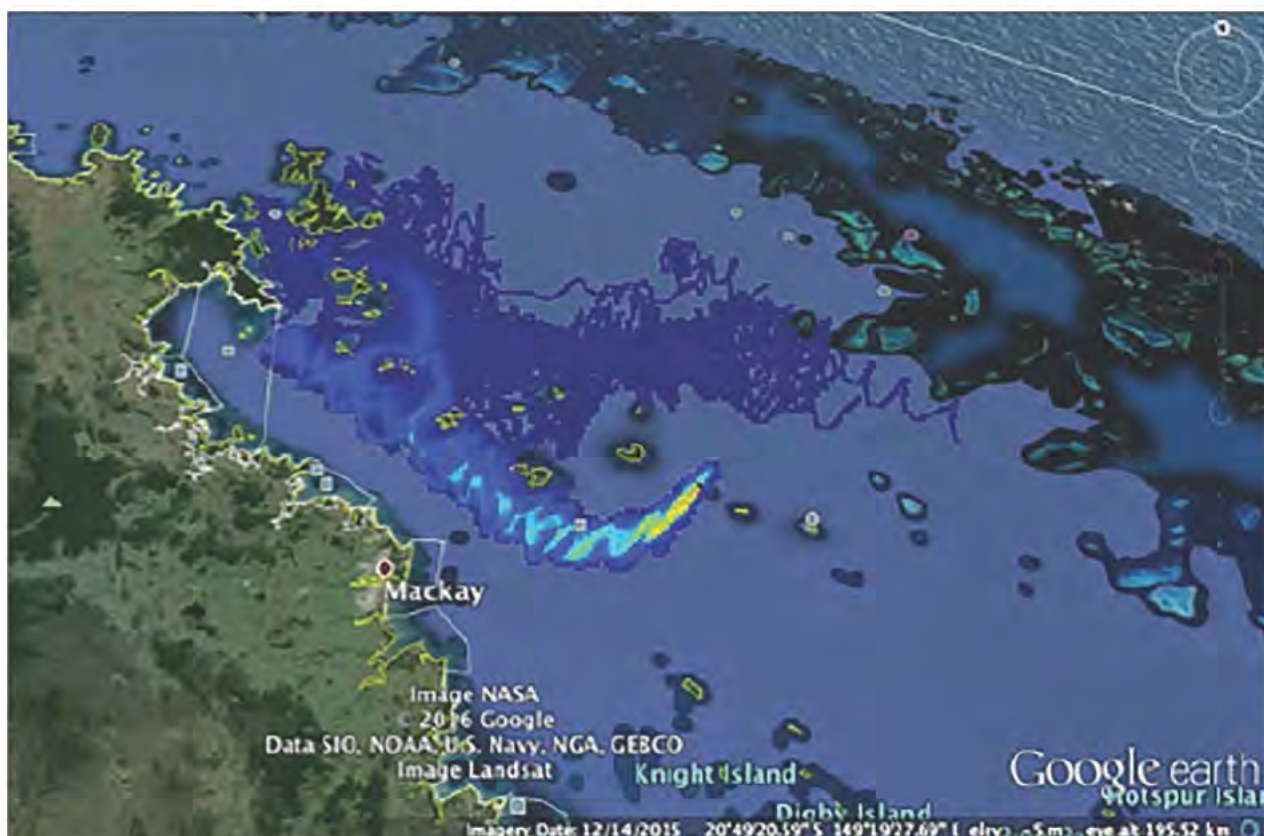
### Results:

- Increased spatial resolution of the CONNIE model.
- Development of preloaded parameters for a set of substances and organisms.
- Improved representation of larvae settlement processes.
- More efficient generation and delivery of outputs such as modelled larval trajectories, dispersal distributions and connectivity statistics.

### Next steps:

CONNIE will continue to be updated and utilised for the purposes stated above as new data and funding becomes available.

Figure 5. Modelled dispersal of crown-of-thorns starfish from a reef offshore from Mackay



<sup>14</sup> Round 2, total budget \$61,037

## Spatially realistic systems model<sup>15</sup>

Advance Queensland Innovation Project fellowship<sup>16</sup>

Principal investigators: Prof Pete Mumby, Dr Juan Carlos Ortiz, Dr Yves Marie Bozec, Dr Karlo Hock



### Applied outcomes:

- ✓ Modelling of coral cover trajectories to support decisions for resilience-based management

This project expands the Great Barrier Reef ecosystem model to explore the relationship between wave exposure and coral community composition to assess the impact of management interventions such as COTS control and water quality improvement on coral.

### Results

- The ecosystem model can accurately predict the recovery pattern of different coral community types.

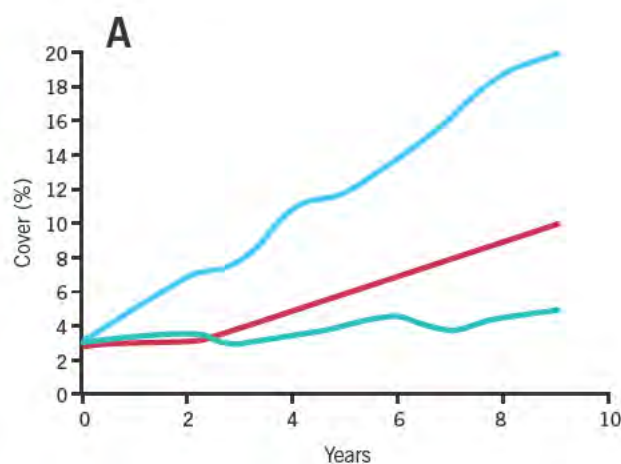
- Wave exposure can be used to predict coral community composition.
- At low levels of wave exposure, ecological interactions are a stronger driver of coral community composition than wave exposure.
- Controlling COTS at key reefs could potentially enhance the recovery ability of reefs by up to nine times.
- Water quality strongly influences recovery potential of not only inshore reefs, but also reefs further off shore.

The ecosystem model, together with the Reef Habitat Map, eReefs and biophysical and genetic connectivity data, form the foundations of the resilience hot spot decision support tool and mapping project being implemented in collaboration with GBRMPA.

### Next steps

Following the integration of this program with the operational eReefs product, the Live Habitat Map and the AIMS modelling and mapping program (see Delivering a reef resilience plan for the Cairns management area p.22) the application of these models to the design of the Reef Integrated Monitoring and Reporting program became apparent. As a result, this project is now funded as a negotiated priority program through NESP for 2018 (Project 4.5 - Guidance system for resilience-based management of the Great Barrier Reef).

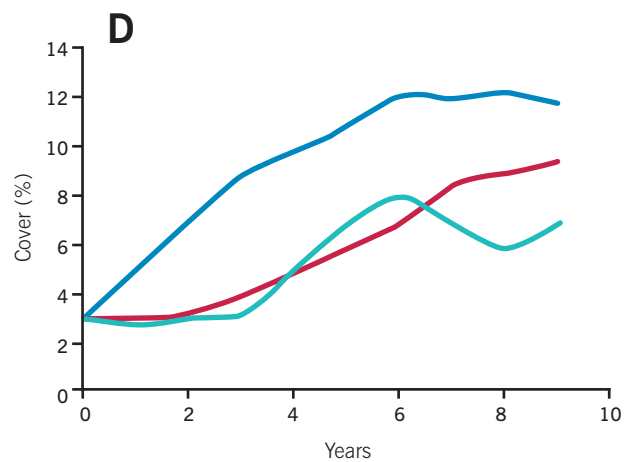
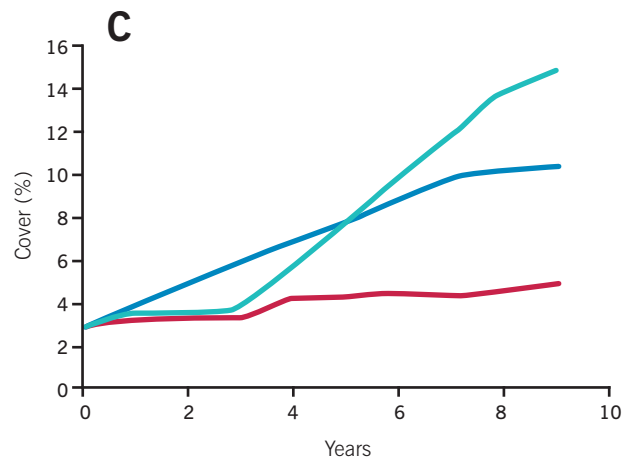
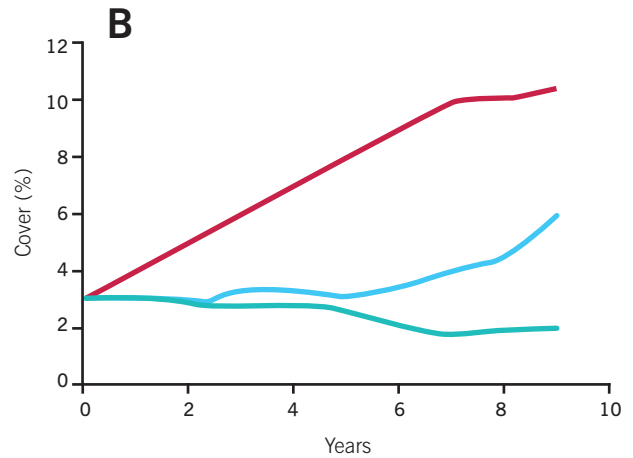
**Figure 6.** Ability of modified ecosystem model to represent the recovery of different community types after disturbances. A: Community dominated by plate corals. Coloured lines represent model results for average cover of each coral type. Blue= plate corals, red= branching corals and green= massive corals.



<sup>15</sup> Round 2 and 4, total budget \$270,247 <sup>16</sup> Round 3 and 4, Support to AQIP fellow, total budget \$30,000



**Figure 6.** Ability of modified ecosystem model to represent the recovery of different community types after disturbances. **B:** Community dominated by branching corals, **C:** community dominated by massive corals and **D:** Mixed community. Coloured lines represent model results for average cover of each coral type. Blue= plate corals, red= branching corals and green= massive corals.



## eReefs<sup>17</sup>

*eReefs is a collaboration between:*



*Supported by Funding from:*



eReefs is a collaboration between the Great Barrier Reef Foundation, Bureau of Meteorology, Commonwealth Scientific and Industrial Research Organisation, Australian Institute of Marine Science and the Queensland Government. In addition to funding from the Resilient Reefs Successfully Adapting to Climate Change program eReefs was supported by funding from the Australian Governments Caring for our country, Queensland Government's, BHP Billiton Mitsubishi Alliance, and the Science Industry Endowment Fund.

The research phase of eReefs was a six-year project that used the latest technologies to collate data with new and integrated modelling to produce visualisation, communication and reporting tools spanning from catchment to reef.

### Results:

Products developed through the eReefs project include:

- Water Quality Dashboard.
- Scenario modelling suite.
- Forecasting modelling suite.
- Reporting and visualisation portal with data, graphics and animations for download.

Information about eReefs products and tools is publicly available at [www.ereefs.org.au](http://www.ereefs.org.au)

### Applied outcomes:

- ✓ Inform water quality targets
- ✓ Develop scenario modelling
- ✓ Delivering visualisation products for water quality
- ✓ Provide modelled data to show impacts of management actions

### Next steps

During 2017 eReefs transitioned into an operationalisation phase with funding from the Australian Government. A key deliverable from this new phase is to ensure eReefs is being utilised and maintained in an accessible format. It will also ensure that all additional research is carried out to support a required or requested operational product.



<sup>17</sup> Round 1-4: total budget \$3,500,000 (+\$8,576,000 cash contributions from other funding sources)



## Delivering a reef resilience plan for the Cairns management region<sup>18</sup>

Principal investigators: Dr Mark Baird,  
Dr Scott Condie, Dr Ken Anthony,  
Prof. Pete Mumby, Dr Chris Roelfsema



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### Applied outcomes:

- ✓ Modelling of coral cover trajectories to support decisions for resilience-based management

The core activity of the project was to integrate existing maps, models, monitoring data, exposure and impact histories to deliver a spatially realistic representation of the current state of the reefs (at a reef by reef scale) in the Cairns management region. Coral cover, coral community composition and metrics of vulnerability and resilience were considered. The key challenge for this program was to integrate a range of models, maps and survey data to deliver a map and synthesis report of current state of reefs in the Cairns management area as of January 2017.

### Results

The program successfully integrated outputs from eReefs, the Reef spatially realistic systems model, the Live Habitat Map, historical exposure data, the coral physiology model, existing survey data and eAtlas layers.

In addition to the status report, reef trajectories are modelled along the two 'extreme' Climate change scenarios (RCP 2.6 and 8.5<sup>19</sup>) and two water quality scenarios. Model predictions of connectivity are being validated using a reef wide genomics data set from a common, early colonising coral (*Acropora tenuis*).

The structured comparisons of model projections revealed a set of key findings.

- Implementing an effective crown-of-thorns starfish (COTS) strategy could become increasingly critical under climate change as reefs that escape climate impacts will become increasingly susceptible to COTS.
- Highly effective COTS control would mean higher coral survival and recovery to about 25% coral cover by around 2035. This can maximise coral stocks and potentially coral resilience before bleaching events become annual or semi-annual events.
- Even if global warming can be kept within 1.5°C above pre-industrial levels, the average coral cover on the Great Barrier Reef could decline regionally as we approach mid-century despite perfect COTS control and water-quality representative of pre-industrial levels. However, some reefs may sustain high coral cover through time.

These findings underscore the need for intensified conventional management but also highlight that new additional interventions may be needed. Spatial variation in reef resilience and/or susceptibility to exposures provides scope for sustained reef values locally and potentially in resilient networks.

The resilience-based management toolbox, which is an operational prototype that represents the first stage in a series of developments, is the product of focused collaboration between five institutions: AIMS, UQ, CSIRO, GBRMPA and the Great Barrier Reef Foundation. Specifically, each institution has put forward elements of their flagship products to make this project happen: eReefs (CSIRO), regional coral and COTS model (UQ with contributions from AIMS and CSIRO), eAtlas (AIMS) and Live Habitats Maps (UQ).

Efforts are currently being made to visualise these outputs in a way that allows the uptake of additional data and models as things evolve. The prototype portal is an online visualisation tool developed within eAtlas (<http://eatlas.org.au/gbrf/ngbr-coral-reef-resilience>).

A web integration portal integrates and displays spatial and temporal environmental, geomorphic and ecological data and models' outputs. It is set up so that two coral model outputs can be shown simultaneously – as maps of reefs and exposure layers and as coral trajectories. This enables the user to directly compare effects of different COTS strategies and/or different climate or water quality scenarios in space and time.

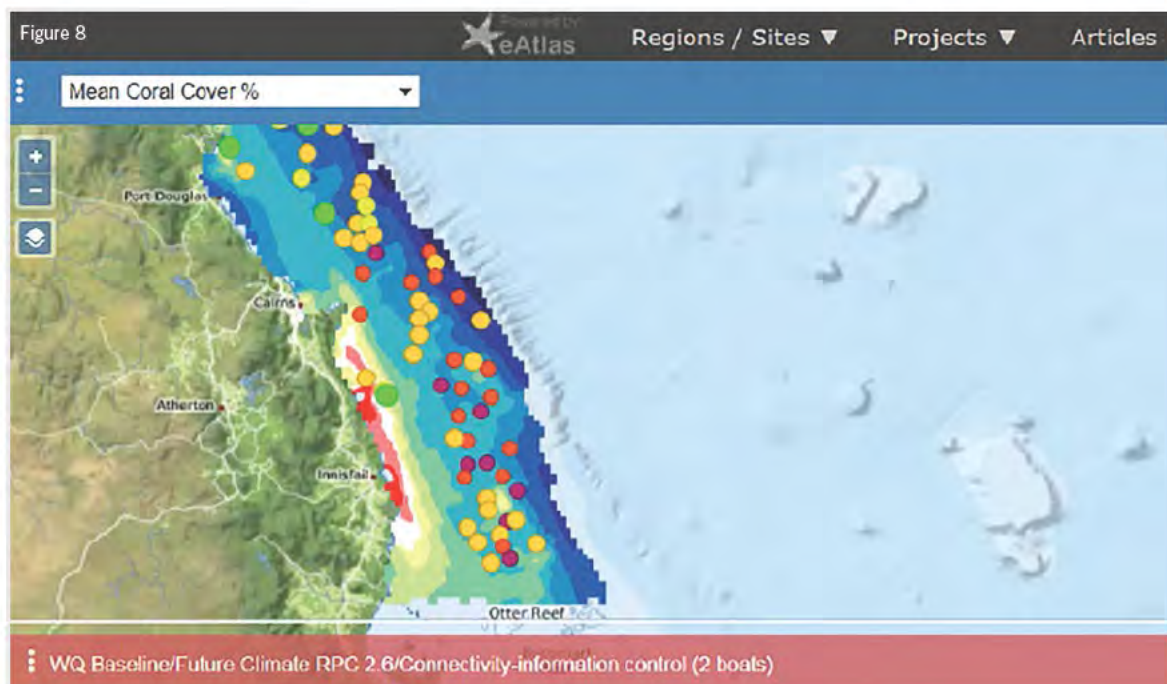
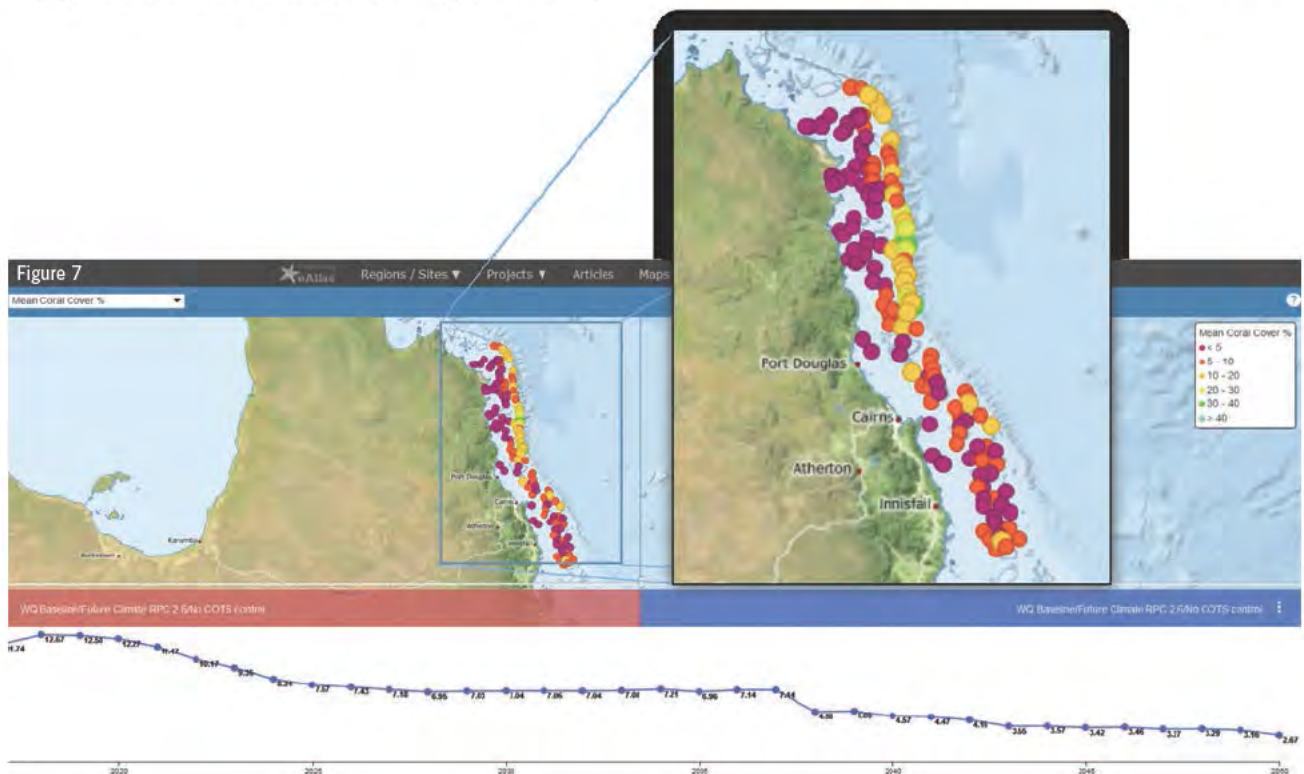
<sup>18</sup> Round 4, total budget \$1,198,729 <sup>19</sup>Representative carbon pathways of radiative forcing in 2100 relative to pre-industrial values (+2.6, +8.5 W/m<sup>2</sup>). RCP 2.6 assumes that global annual GHG emissions (measured in CO<sub>2</sub>-equivalents) peak between 2010-2020, with emissions declining substantially thereafter. In RCP 8.5, emissions continue to rise throughout the 21st century

## Next steps

The successful integration of this suite of models and maps has illustrated the potential for a range of similar products to become truly applicable and relevant as decision support tools. The key challenge is to build an integration portal that can and will be used by managers to inform decisions and to make strategic calls on priority actions. The continued engagement by staff at GBRMPA and the approved funding

**Figure 7:** Example of projected coral cover for each of the 156 reefs averaged over time for the period 2017 – 2050 under baseline water quality and strong carbon mitigation (RCP 2.6) and without COTs control. The trajectory below shows average coral cover of all reefs over time.

**Figure 8:** Showing a synoptic layer of maximum chlorophyll for summer months under baseline water quality and strong carbon mitigation (RPC 2.6) and 2 boats doing COTS control using connectivity data.







## Great Barrier Reef Foundation

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Level 13, 300 Ann St, Brisbane QLD 4000  
p • +61 7 3252 7555 w • [barrierreef.org](http://barrierreef.org)



## Appendix 7: References from Foundation Funders

Tuesday, 15 May 2018



125 St Georges Terrace  
Perth, WA, 6000  
T +08 6321 3490  
bhpbilliton.com

To whom it may concern,

**Re: GBRF proven ability to deliver against contractual obligations**

The Great Barrier Reef Foundation (GBRF) and BHP have a longstanding partnership which commenced in 2007 with former BHP Executive Director and Board Member Chris Lynch joining the Chairman's Panel. The Chairman's Panel brings together a respected group of Australia's leading Chief Executives and Chairs from top Australian and global companies all with an interest in, and commitment to, the Reef. Membership of the Chairman's Panel has been continuous since this time with all subsequent BHP CEOs taking up membership, including BHP's current CEO Andrew McKenzie.

Over this same time period, BHP have made three very large investments into the Foundation's projects for the Reef totalling \$15.4M:

- CReefs (\$3.4M, 2007-2010): cataloguing marine life in the Great Barrier Reef as part of the global Census of Marine Life Program with 100's of new species identified;
- eReefs (\$5M, 2011-2015): developing a series of near-real time reef monitoring and modelling tools providing data on past, current and projected future Reef condition, and
- the Reef Support Package (\$7M, 2015-2020): consisting of funding to restore Raine Island – the largest green turtle rookery in the world, and develop a framework for resilience-based management of coral reefs.

The BHP Billiton Foundation, a charity funded by BHP, has recently committed a further \$12.5M grant to the Great Barrier Reef Foundation for the Resilient Reefs project. Aiming to improve outcomes for the world's coral reefs and the communities they support, this project supports five World Heritage sites transition to a resilience-based management approach.

Over the term of our 11-year partnership GBRF has always fulfilled their contractual obligations, and strives to go above and beyond, delivering strong return on investment through employee engagement, profiling opportunities and joint outreach and communication activities such as World Science Festival. GBRF has the consistent ability to deliver on a partnership, with measurable and quantifiable outcomes, which lead to ongoing funding arrangements and improved outcomes for the Great Barrier Reef.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'D Bunting', is written over a light blue horizontal line.

David Bunting  
Manager Social Investment, Operations Australia

Tuesday, 15 May 2018

To whom it may concern,

**Re: GBRF proven ability to deliver against contractual obligations**

In 2017, Google.org was proud to award the Great Barrier Reef Foundation (GBRF) with a \$750,000 AUD Google Impact Grant for the RangerBot project. Through the project assessment process, GBRF demonstrated the power of their large network and their ability to develop high impact projects that also capture the imagination of the Australian public by receiving more than 250,000 public votes, to win the prestigious "People's Choice" award.

This highly competitive funding opportunity allowed GBRF to support the Queensland University of Technology to develop RangerBot, a cost-effective, fully autonomous underwater vehicle technology, to provide extra 'hands and eyes' in the water to efficiently and affordably detect and address threats facing reefs around the world.

By recognizing the need for new ideas to deliver quantifiable outcomes, the fleet of five newly developed RangerBots monitor and measure the impacts of:

- Coral Health – detection of bleaching and indicators of coral health;
- Water Quality – measurements of temperature, salinity, turbidity and pH; and
- Pests – detection and eradication of the coral eating Crown of Thorns starfish.

During the 13-month period contract, GBRF fulfilled their contractual obligations, producing measurable and quantifiable outcomes as well as additional value-adding opportunities beyond the scope of contract. The collaboration between Google, QUT and GBRF has reduced the price point for RangerBots from \$75,000 to \$10,000 per unit. GBRF has demonstrated that innovative technology such as RangerBots can tackle environmental and social challenges with positive results for the Great Barrier Reef, in a cost-effective manner.

Yours sincerely,



Kevin Brege

Google.org

[kevin@google.org](mailto:kevin@google.org)

+1.415.322.9950

188 The Embarcadero

San Francisco

California

United States



Department of  
**Environment and Science**

17 May 2018

To whom it may concern,

The Great Barrier Reef Foundation (GBRF) and Queensland Government (QG), acting through the Department of Environment and Science (DES) Office of the Great Barrier Reef, have a longstanding relationship working to protect and restore the Great Barrier Reef.

Signed in 2015, QG granted GBRF \$3M over three years to support the eReefs program, a collaborative project developing a series of near-real time reef monitoring and modelling tools providing data on past, current and projected future Reef condition. Government, corporate, and research partners of eReefs include: Bureau of Meteorology, CSIRO, Australian Institute of Marine Science and the Queensland Government supported by funding from the Australian Government's Caring for our Country, Queensland Government, BHP Billiton Mitsubishi Alliance and the Science Industry Endowment Fund.

By transforming the way reef managers are able to assess, communicate and report on the GBR ecosystem as a whole, eReefs has become a critical decision-making tool, contributing significantly to efforts to manage, protect and preserve the GBR over the long-term. The eReefs model has been used in developing the 2017 GBR Report Card. Internationally, components of eReefs are being used for the management of salmon and mussel aquaculture industry along the coastline of Patagonia, Chile. Through leveraging of its extensive public and private network, GBRF delivered a 10-fold return on the QG investment, with project funding of over \$32M secured over five (5) years.

With a successful track-record of past projects and its diverse network, GBRF provides exceptional value for money and greater impact. Building on previous project success, QG renewed partnership with GBRF on two key projects to focus on conversations, communication, and new ways of interacting with Reef communities and stakeholders. These projects complement scientific-evidence based programs for a holistic management approach, recognizing that when people feel a connection to their environment, they have a better ability to make change.



- The Reef Think Tank: community engagement discussions with 'reef facing' communities and key stakeholders to inform, educate and enable action to help keep our Great Barrier Reef great. Nine events were held in 2017 and three events are being held in 2018.
- *Love the Reef* App: a digital game based application developed for primary school aged children that inspires a love and respect for the Reef, empower them to make positive change.

Recognizing that there is an immediate and important need to maintain climate refuges throughout the Reef, Lendlease, GBRF, QG and the Australian Government have launched the Reef Islands project to protect critical habitat and species across GBR islands. QG has provided \$3M to GBRF on a matched-funding basis, for the five-year project commencing in July 2018.

The Office of the Great Barrier Reef, Department of Environment and Science has been pleased with its past and current partnerships with GBRF. GBRF consistently fulfils its commitments and executes well beyond contractual obligations leading to measurable and quantifiable outcomes. GBRF has delivered practical solutions that can be used by managers working directly or indirectly on matters impacting the Reef.

Yours sincerely,



Kirstin Kenyon  
Director, Reef Partnerships  
Office of the Great Barrier Reef,  
Department of Environment and Science  
400 George Street  
Brisbane, QLD 4000



## Appendix 8: CV's of Key Personnel

## Appendix 9: Due diligence data files and assessments



## APPENDIX 9: Organisational due diligence

Basic Corporate	
1.	Incorporation or registration certificate
2.	IRS determination letter or equivalent evidence of charitable status
3.	Arts. Of Incorporation/Bylaws (or equivalent)
4.	Organizational chart (corporate)
Board/Governance	
5.	List of current Board members; List of Board committees & membership
6.	Mission statement; vision statement; approval thereof
7.	Strategic Plan – see 6
s47G(1)(a)	
9.	Most recent audited financials (including independent auditor’s report and Management Letter) (if available)
s47G(1)(a)	



s47G(1)(a)

21.	Sub-grant policy
Past Performance/Capacity	
22.	Process/policy for managing changes to projects over time (e.g. budget reallocations, modifications to implementation strategy)

s47G(1)(a)

24.	New grants or contracts awarded in the past year
-----	--

s47G(1)(a)

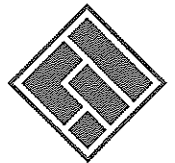
28.	GBRF Partners
-----	---------------

Allens Arthur Robinson Attn: Rego Registration Section  
PO Box 7082  
Brisbane QLD 4000

Remove this top section if desired before framing



## Certificate of Registration on Change of Name



This is to certify that

**GREAT BARRIER REEF RESEARCH FOUNDATION**

**Australian Company Number 090 616 443**

did on the thirtieth day of November 2006 change its name to

**GREAT BARRIER REEF FOUNDATION**

**Australian Company Number 090 616 443**

The company is a public company.

The company is limited by guarantee.

The company is registered under the Corporations Act 2001 and is taken to be registered in Queensland and the date of commencement of registration is the nineteenth day of November, 1999.

Issued by the  
Australian Securities and Investments Commission  
on this thirtieth day of November, 2006.

A handwritten signature in dark ink.

Jeffrey Lucy  
Chairman

CERTIFICATE





28 November 2008

**Endorsement as a deductible gift recipient**

Endorsement as a deductible gift recipient under Subdivision 30-BA of the *Income Tax Assessment Act 1997* is provided for the operation of a fund, authority or institution as detailed below.

Name	<b>GREAT BARRIER REEF FOUNDATION</b>
Australian business number	<b>82 090 616 443</b>
Name of fund, authority or institution to which endorsement relates	<b>GREAT BARRIER REEF FOUNDATION FUND</b>
Endorsement date of effect	<b>9 February 2001</b>
Provision for gift deductibility	<b>item 1 of the table in section 30-15 of the <i>Income Tax Assessment Act 1997</i></b>
Item(s) in Subdivision 30-B of the <i>Income Tax Assessment Act 1997</i>	<b>6.1.1 public fund on the register of environmental organisations</b>

Your organisation's endorsement as a deductible gift recipient for a fund, authority or institution that it operates, together with the date or period of effect, is entered in the public register maintained by the Australian Business Registrar at [www.abn.business.gov.au](http://www.abn.business.gov.au)

Your organisation must notify the Tax Office in writing if it ceases to be entitled to endorsement.

Michael D'Ascenzo  
Commissioner of Taxation and  
Registrar of the Australian Business Register

## Annexure A

### Constitution of Great Barrier Reef Foundation

ACN 090 616 443

The Corporations Act

A company limited by guarantee

Incorporated in Queensland

Consolidated version incorporating the Constitution adopted on 13 November 2000 as amended by special resolutions on 26 February 2002, 5 May 2005 and 15 May 2015 and the Rules of the Great Barrier Reef Foundation Public Fund as adopted on 13 November 2000 and amended by resolutions of the Directors passed on 11 March 2009 and 18 February 2015.

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## General

### 1 Definitions

The following definitions apply in this Constitution unless the context otherwise requires.

**Act** means the *Corporations Act 2001* (Commonwealth) and the Corporations Regulations.

**Department** means the Department of the Environment or the federal government department which from time to time is responsible for the regulation of environmental organisations;

**Director** means a person appointed or elected to the office of director of the Company in accordance with this Constitution and includes any alternate director duly acting as a director.

**Fund** means the Great Barrier Reef Foundation Public Fund referred to in Article 5.2(k).

**ITAA** means the *Income Tax Assessment Act 1997* (Commonwealth).

**Member Present** means, in connection with a meeting, the full member present in person at the venue or venues for the meeting or by proxy, by attorney and, where the full member is a body corporate, by representative.

**Prescribed Rate** means the base rate charged by the Company's principal banker to corporate customers from time to time in respect of overdraft loans in excess of \$100,000 calculated on a daily basis and a year of 365 days.

**Rules** means the rules for the time being of the Fund as varied or replaced from time to time.

**Seal** means any common seal or duplicate common seal of the Company.

### 2 Interpretation

Headings are for convenience only and do not affect interpretation. The following rules of interpretation apply unless the context requires otherwise.

- (a) A gender includes all genders.
- (b) The singular includes the plural and conversely.
- (c) Where a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (d) A reference to a paragraph or sub-paragraph is to a paragraph or sub-paragraph, as the case may be, of the Article or paragraph, respectively, in which the reference appears.
- (e) A reference to any legislation or to any provision of any legislation includes any modification or re-enactment of it, any legislative provision substituted for it, and all regulations and statutory instruments issued under it.
- (f) Except in so far as a contrary intention appears in this Constitution, an expression has, in a provision of this Constitution which relates to a particular provision of the Act, the same meaning as in that provision of the Act.

### 3 Replaceable Rules

The replaceable rules contained in the Act do not apply to the Company.

### 4 Actions authorised under the Act and compliance with the Act

Where the Act authorises or permits a company to do any matter or thing if so authorised by its constitution, the Company is and will be taken by this Article to be authorised or permitted to do that matter or thing, despite any other provisions of this Constitution.

## OBJECTS

### 5 Purposes and Objects

- 5.1 The principal purpose of the Company is to support the protection and enhancement of tropical reefs (especially the Great Barrier Reef) and adjoining coral coasts for the benefit of the world community including through the funding and provision of research, information and education.
- 5.2 Without limiting the generality of Article 5.1, in support of the principal purpose, the objects of the Company are to:
- (a) undertake and provide funding to support efforts that contribute to the environmental protection, enhancement, preservation and conservation of the world's tropical coral reefs in general and the Great Barrier Reef in particular, and adjoining coral coasts;
  - (b) undertake and provide funding to support activities that foster environmental protection, enhancement, preservation and conservation of the world's tropical coral reefs in general and the Great Barrier Reef in particular, and adjoining coral coasts, for the public good;
  - (c) acquire and use land on Australia's tropical reefs and adjoining coral coasts as environmental, conservation and natural heritage areas and parks and national parks;
  - (d) foster better understanding of the need for environmental protection and conservation of the Great Barrier Reef in the general public;
  - (e) meet the requirement of the World Heritage Convention, Article 17 of which states:  
*"the States Parties to this Convention shall consider or encourage the establishment of national public and private foundations or associations whose purpose is to invite donations for the protection of the cultural and natural heritage as defined in Articles 1 and 2 of the Convention";*
  - (f) undertake research and provide grants for research that:
    - (i) assists in establishing acceptable levels of use and minimise human impact so the Australia's reefs are used in a sustainable manner for the benefit of the world community;
    - (ii) contributes to the protection and enhancement of the natural heritage of the Great Barrier Reef World Heritage Area;and to co-ordinate and where possible synthesise relevant research and data;
  - (g) provide a database facility that enhances access to relevant research for researchers, reef managers, industry and the world community and provide funding for that purpose;
  - (h) provide education about Australia's tropical reefs and adjoining coral coasts;
  - (i) foster better understanding and communication about Australia's coral coasts between the world community, industry, researchers and reef managers;
  - (j) achieve a sustainable financial base for the Company; and
  - (k) establish and maintain a public fund to be called "The Great Barrier Reef Foundation Public Fund" for the specific purpose of supporting the environmental purposes and objects of the Company. The Fund is established to receive all gifts of money or property for this purpose and any amount received because of such gifts must be credited to its bank account. The Fund must not receive any other money or property into its account and must comply with subdivision 30-E of ITAA and the Rules.

## INCOME AND PROPERTY

### 6 Application of income and property

- 6.1 Subject to Articles 6.2 and 6.3, the profits (if any) or other income and property of the Company must be applied solely towards the promotion of the purposes and objects of the Company set out in Article 5 and no portion of it may be paid or transferred, directly or indirectly, to any member of the Company whether by way of dividend, bonus or otherwise.
- 6.2 Nothing in Article 6.1 prevents any payment in good faith by the Company of:
- (a) reasonable and proper remuneration to any member for any services actually rendered or goods supplied in the ordinary and usual course of business to the Company;
  - (b) the payment or reimbursement of out-of-pocket expenses incurred by a member of the Company on behalf of the Company where the amount payable does not exceed an amount previously approved by the directors of the Company;
  - (c) reasonable and proper rent for premises let or demised by any member of the Company to the Company;
  - (d) moneys to any member, being a solicitor, accountant or other person engaged in any profession, for all usual professional or other charges for work done by that person or that person's firm or employer, where the provision of the service has the prior approval of the directors and where the amount payable is approved by the directors and is not more than an amount which commercially would be reasonable payment for the service; or
  - (e) interest at a rate not exceeding the Prescribed Rate on money borrowed from members of the Company.
- 6.3 The Company must not pay fees to directors but the Company may make payments in good faith for:
- (a) the payment or reimbursement of out-of-pocket expenses incurred by a director in the performance of any duty as director where the amount payable does not exceed an amount previously approved by the directors;
  - (b) moneys to any director, being a solicitor, accountant or other person engaged in any profession, for all usual professional or other charges for work done by that person or that person's firm or employer where the provision of the service has the prior approval of the directors and where the amount payable is approved by the directors and is not more than amount which commercially would be reasonable payment for the service;
  - (c) any salary or wage due to the director as an employee of the Company where the terms of employment have been approved by the directors of the Company;
  - (d) an insurance premium in respect of a contract insuring a director to which s212 of the Act refers or the provision of a financial benefit to a director to which s211 of the Act refers;
  - (e) any payment to a director in the capacity of a member; and
  - (f) any other payment to any director approved by the directors.

### 7 Conduit policy

Any allocation of funds or property to other persons or organisations will be made in accordance with the established purposes of the Company and not be influenced by the preference of the donor.

## LIABILITY

### 8 Limited Liability

The liability of the members is limited.

### 9 Extent of liability

Each member undertakes to contribute to the property of the Company if the Company is wound up while he, she or it is a member or within 1 year after he, she or it ceases to be a member, for payment of the Company's debts and liabilities contracted before he, she or it ceases to be a member and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves, such amount as may be required, but not exceeding \$10.00.

## MEMBERSHIP

### 10 Members

10.1 The number of members with which the Company proposes to be registered is unlimited.

10.2 The members of the Company will be:

- (a) the persons specified, with their consent, as a proposed member in the Company's application for registration; and
- (b) any other persons admitted to membership in accordance with this Constitution or any previous constitution of the Company.

10.3 All members must be adults or bodies corporate.

10.4 The directors may determine from time to time the minimum and maximum number of members of the Company as a whole or any class of members.

10.5 The directors may determine from time to time to limit the minimum or maximum number of members of the Company as a whole or of any class who are either natural persons or bodies corporate in order to ensure that the Company is eligible to apply for and retain registration as an environmental organisation or for any other reason.

10.6 All acts done by the Company, any meeting of the members, the directors or any director or a committee are valid notwithstanding that the number of members or a class of members is less than any minimum or more than any maximum determined by the directors or fixed by this Constitution.

### 11 Classes of Members

11.1 The classes of members will be:

- (a) full members; and
- (b) limited members.

11.2 The register of members of the Company at the date of adoption of this Constitution is a complete and accurate record of all members of the Company of every class at the date of adoption of this Constitution.

### 12 Full Members

12.1 Full members:

- (a) must pay the entrance fees and annual subscriptions determined in accordance with Article 14;

- (b) have the right to attend and vote at general meetings of the Company.
- 12.2 Application for membership as a full member is by invitation of the directors. The directors may admit any person as a full member with the written consent of the person.
- 12.3 A person will immediately become a full member of the Company and must be registered in the Company's register of members when the directors determine to admit the person as a full member.
- 12.4 Each person recorded in the register of members of the Company as a full member of the Company at the date of adoption of this Constitution is deemed to have been validly admitted as a full member of the Company on the date of admission applicable to that member recorded in the register of members, notwithstanding any defect in the admission of the member.

### **13 Limited Members**

- 13.1 Limited members:
  - (a) are admitted for such period of time and upon such conditions as may be determined by the directors in respect of a particular limited member (and if no determination is made by the directors for a particular limited member, that member is admitted for a membership period of 1 year from the date when the directors determine to admit the person as a limited member);
  - (b) must pay the entrance fees and annual subscriptions determined in accordance with Article 14;
  - (c) have the right to receive notice of and to attend general meetings of the Company; and
  - (d) do not have the right to vote at general meetings of the Company.
- 13.2 Application for membership as a limited member is by invitation of the directors. The directors may admit any person as a limited member with the written consent of the person.
- 13.3 A person will immediately become a limited member of the Company and must be registered in the Company's register of members when the directors determine to admit the person as a limited member.
- 13.4 The directors may at any time increase the period of time for which a limited member is admitted or vary any conditions upon which a limited member is admitted with the written consent of the relevant limited member.
- 13.5 Each person recorded in the register of members of the Company as a limited member of the Company at the date of adoption of this Constitution is deemed to have been validly admitted as a limited member of the Company on the date of admission applicable to that member recorded in the register of members, notwithstanding any defect in the admission of the member.

### **14 Entrance fee and annual subscription**

- 14.1 The directors may, in their absolute discretion, determine the entrance fee and annual subscription for each class of members and may determine different entrance fees and annual subscriptions for different classes of members. Until otherwise determined by the directors there are no entrance fees or annual subscriptions for any class of member.
- 14.2 The annual subscription period will commence on 1 January in each year and annual subscriptions will be due and payable on 1 January in each year in advance or at such other time or times, including by instalments, as the directors may determine.



## CESSATION OF MEMBERSHIP

### 15 Resignation of a member

A member may at any time, by giving notice in writing to the secretary, resign as a member of the Company. The resignation will be effective from the date of receipt of the notice by the secretary. That member's name must be removed from the register of members.

### 16 Non-payment of subscriptions

If the subscription of a member remains unpaid for a period of 30 days after it becomes due, the directors must direct the secretary to give notice to the member of that fact. If the subscription remains unpaid on the expiration of 21 days after the date of the notice, the directors may:

- (a) suspend the member from all privileges of membership and, if the directors think fit, reinstate the member on payment of all arrears; or
- (b) immediately or after a period of suspension,

expel the member from membership of the Company, whether or not all arrears have then been paid, and remove the member's name from the register of members.

### 17 Misconduct of a member

#### 17.1 If any member:

- (a) is in breach of the provisions of this Constitution; or
- (b) is guilty of any act or omission which, in the opinion of the directors is unbecoming of a member, or prejudicial to the interest of the Company,

the directors may do any one or more of censure, suspend or fine the member or, instead of the foregoing, expel the member from the Company and remove the member's name from the register of members.

#### 17.2 The directors must not expel a member under Article 17.1 unless:

- (a) at least 7 days' notice has been given to the member stating the date, time and place at which the question of expulsion of that member is to be considered by the directors, and the nature of the alleged misconduct; and
- (b) the members given the opportunity of giving to the directors, orally or in writing, any explanation he may think fit.

#### 17.3 If the directors resolve to expel a member, the secretary must immediately give notice of this to the member. The member then has the right, exercisable by notifying the secretary within 7 days after receipt of the notice (the Expulsion Notice Period), to have the issue dealt with by the Company in general meeting. In that event, a general meeting of the Company must be called for that purpose, having the same powers as the directors have under Article 17.1. If a resolution to expel the member is passed at the meeting by a majority of two-thirds of the Members Present, the member ceases to be a member on the making of the resolution and the member's name must be removed from the register of members.

#### 17.4 If the member does not notify the secretary on or before the expiration of the Expulsion Notice Period that the member wishes to have the issue dealt with by the Company in general meeting, the member ceases to be a member on the expiration of the Expulsion Notice Period and the member's name must be removed from the register of members.

## **18 Other grounds for cessation of membership**

A member's membership of the Company automatically ceases:

- (a) in the case of a member who is a natural person on the date when the period of membership for which the member was admitted (if any) expires or on the date that the member:
  - (i) dies;
  - (ii) becomes of unsound mind or a person whose estate is liable to be dealt with in any way under the laws relating to mental health;
  - (iii) becomes bankrupt; or
  - (iv) is imprisoned for any period or is convicted of a felony or is convicted of an indictable offence; or
- (b) in the case of a member which is a body corporate on the date when the period of membership for which the member was admitted (if any) expires or on the date that:
  - (i) a liquidator is appointed in connection with the winding-up of the member; or
  - (ii) an order is made by a court for the winding-up or deregistration of the member.

## **19 Liability for subscription fees and other amounts following cessation**

Any member ceasing to be a member:

- (a) will not be entitled to any refund (or part refund) of an entrance fee or subscription;
- (b) will remain liable for and must pay to the Company all subscriptions and moneys which were due and unpaid on the date of ceasing to be a member; and
- (c) will remain liable for amounts which the member is or may become liable to pay under Article 9.

## **GENERAL MEETINGS**

### **20 Power of directors to convene**

- 20.1 Any director may convene a general meeting whenever the director thinks fit.
- 20.2 Any director may cancel by notice in writing to all members any meeting convened by the director, except that a meeting convened on the requisition of a member or members must not be cancelled without the consent of the relevant member or members.
- 20.3 The directors may postpone a general meeting or change the place at which it is to be held by notice not later than 72 hours prior to the time of the meeting to all persons to whom the notice of meeting (the first notice) was given. The postponing notice must specify the place, date and time of the meeting. The meeting is taken to be duly convened under the first notice.
- 20.4 The Company must hold an annual general meeting at least once in each calendar year and within five months after the end of its financial year. The business of the annual general meeting may include any of the following, even if not referred to in the notice of meeting:
  - (a) the consideration of the annual financial report, directors' report and auditor's report;
  - (b) the election of directors;
  - (c) the appointment of the auditor; and
  - (d) the fixing of the auditor's remuneration.

## **21 Notice of general meetings**

- 21.1 A general meeting may be held at two or more venues using any technology that gives the members as a whole a reasonable opportunity to participate.
- 21.2 Notice of a general meeting must be given at least 21 days before the meeting.
- 21.3 Each notice convening a general meeting must contain the information required by the Act and (unless inconsistent with the Act) must:
- (a) set out the place, date and time for the meeting (and, if the meeting is to be held in two or more venues, the technology that will be used to facilitate this); and;
  - (b) state the general nature of the meeting's business;
  - (c) if a special resolution is to be proposed at the meeting, set out an intention to propose the special resolution and state the resolution; and
  - (d) if a member is entitled to appoint a proxy, contain a statement setting out the following information:
    - (i) that the member has a right to appoint a proxy; and
    - (ii) the proxy requirements in Article 32.2.
- 21.4 The non-receipt of a notice convening a general meeting by, or the accidental omission to give notice to, any person entitled to receive notice does not invalidate the proceedings at or any resolution passed at the meeting.

## **22 Business of general meetings**

- 22.1 Unless all full members are present as Members Present and agree otherwise, business must not be transacted at any general meeting except as set out in the notice of meeting.
- 22.2 The auditor of the Company is entitled to attend any general meeting and to be heard at the meeting on any part of the business of the meeting that concerns the auditor in their capacity as auditor.
- 22.3 The minutes of all the proceedings and decisions of a general meeting must be made, entered and signed, and members must be given access to those minutes, as required by the Act, as if the Act applies to the Company in relation to those matters.

## **23 Quorum**

- 23.1 Business must not be transacted at any general meeting unless a quorum of full members is present at the time when the meeting proceeds to business.
- 23.2 Except as otherwise provided in this Constitution, 2 Members Present constitute a quorum.

## **24 If quorum not present**

If a quorum is not present within 20 minutes after the time appointed for the meeting:

- (a) where the meeting is convened on the requisition of members, the proposed meeting is automatically dissolved (subject to Article 26.1);
- (b) in any other case:
  - (i) the meeting stands adjourned to a day and at a time and place as the directors decide or, if no decision is made by the directors, to the same day in the next week at the same time and place; and
  - (ii) if at the adjourned meeting a quorum is not present within 20 minutes after the time appointed for the meeting, the meeting is automatically dissolved.

**25 Chair of meetings**

25.1 Subject to Article 25.2, the chair of directors or, in the chair's absence, the deputy chair will preside as chair at every general meeting.

25.2 Where a general meeting is held and:

- (a) there is no chair or deputy chair; or
- (b) the chair or deputy chair is not present within 15 minutes after the time appointed for the meeting or does not wish to act as chair of the meeting,

the directors present may choose one of their number or, in the absence of all directors or if none of the directors present wish to act, the Members Present may elect one of their number to be chair of the meeting.

**26 Adjournments**

26.1 The chair may and must if so directed by the meeting adjourn the meeting from time to time and from place to place.

26.2 The only business which may be transacted at any adjourned meeting is the business left unfinished at the meeting from which the adjournment took place.

26.3 When a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of an original meeting.

26.4 Except as provided by Article 26.3, it is not necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

**27 Voting at general meetings**

27.1 Any resolution to be considered at a meeting must be decided on a show of hands unless a poll is demanded.

27.2 A declaration by the chair that a resolution has on a show of hands been carried or lost and an entry to that effect in the minutes of the meeting are conclusive evidence of the fact without the need to show the number or proportion of the votes recorded in favour of or against the resolution.

27.3 The chair may demand a poll for a resolution. Despite the Act, a poll for a resolution may be demanded by at least 5% of Members Present and entitled to vote on the resolution.

27.4 A poll may not be demanded on the election of a chair or on a resolution for adjournment.

**28 Procedure for polls**

28.1 A poll when demanded must be taken in the manner and at the time the chair directs.

28.2 The result of the poll is a resolution of the meeting at which the poll was demanded.

28.3 If a poll has been demanded at a meeting, the meeting may continue with the transaction of business other than the resolution on which the poll was demanded.

**29 Chair's casting vote**

In the case of an equality of votes on a show of hands or on a poll the chair of the meeting has a casting vote in addition to any vote to which the chair may be entitled as a member, proxy, attorney or body corporate representative.

**30 Representation and voting of members**

Subject to this Constitution:

- (a) at meetings of members each member entitled to attend may attend in person or by proxy, or attorney and (where the member is a body corporate) by representative and each member entitled to vote may vote in person or by proxy, or attorney and (where the member is a body corporate) by representative;
- (b) a full member is not entitled to vote at a general meeting unless all sums presently payable by the member in respect of membership in the Company have been paid; and
- (c) on a show of hands and on a poll, every Member Present having the right to vote at the meeting has 1 vote.

### **31 Objections to qualification to vote**

- 31.1 An objection to the qualification of a person to vote may be raised only at the meeting or adjourned meeting at which the vote objected to is tendered.
- 31.2 Any objection must be referred to the chair of the meeting, whose decision is final.
- 31.3 A vote allowed after an objection is valid for all purposes.

### **32 Proxies and body corporate representatives**

- 32.1 A full member who is entitled to attend and vote at a general meeting may appoint 1 proxy to attend and vote for the member at the meeting.
- 32.2 A proxy must be:
  - (a) a member of any class;
  - (b) a director;
  - (c) a director, employee or officer of a member which is a body corporate; or
  - (d) the chair of the meeting.
- 32.3 A proxy appointed to attend and vote for a member has the same rights as the member:
  - (a) to speak at the meeting;
  - (b) to vote (but only to the extent allowed by the appointment); and
  - (c) join in a demand for a poll.
- 32.4 A full member that is a body corporate may appoint an individual as a representative to exercise all or any of the powers the body corporate may exercise at general meetings or meetings of a class of members. The appointment may be a standing one and may set out restrictions on the representative's powers. If the appointment is to be by reference to a position held, the appointment must identify the position. Unless otherwise specified in the appointment, the representative may exercise, on the body corporate's behalf, all of the powers that the body could exercise at a meeting.

### **33 Form of proxy**

- 33.1 An instrument appointing a proxy must:
  - (a) be in writing under the hand of the appointor or of the appointor's attorney duly authorised in writing; or
  - (b) if the appointor is a corporation, be either under seal or under the hand of a duly authorised officer or attorney.
- 33.2 A proxy may vote as the proxy thinks fit on any motion or resolution in respect of which no manner of voting is indicated.



33.3 An instrument appointing a proxy may be in any form that the directors may accept or stipulate.

### **34 Lodgement of proxies**

34.1 For an appointment of a proxy for a general meeting to be effective, the instrument appointing the proxy and the power of attorney or other authority (if any) under which the instrument is signed is received by the Company at least 48 hours (or any shorter period as the directors may permit) before the commencement of the meeting or adjourned meeting at which the proxy proposes to vote.

34.2 For the purposes of Article 34.1, the Company receives these documents when they are received at any of the following:

- (a) the Company's registered office; or
- (b) a place or electronic address specified for the purpose in the notice of meeting.

### **35 Validity of proxies**

35.1 A vote exercised in accordance with the terms of an instrument of proxy, a power of attorney or other relevant instrument of appointment is valid despite:

- (a) the previous death or unsoundness of mind of the principal; or
- (b) the revocation of the instrument (or of the authority under which the instrument was executed) or the power,

if no notice in writing of the death, unsoundness of mind or revocation has been received by the Company at its registered office not less than 48 hours (or any shorter period as the directors may permit) before the commencement of the meeting, or adjourned meeting at which the instrument is used or the power is exercised.

35.2 A proxy or attorney is not revoked by the principal attending and taking part in the meeting, unless the principal actually votes at the meeting on the resolution for which the proxy or attorney is proposed to be used.

### **36 Where proxy is incomplete**

36.1 No instrument appointing a proxy is treated as invalid merely because it does not contain:

- (a) the address of the appointor or of a proxy;
- (b) the proxy's name or the name of the office held by the proxy; or
- (c) in relation to any or all resolutions, an indication of the manner in which the proxy is to vote.

36.2 Where the instrument does not specify the name of a proxy, the instrument is taken to be given in favour of the chair of the meeting.

### **37 Right of officers and advisers to attend general meeting**

37.1 A secretary who is not a member is entitled to be present and, at the request of the chair, to speak at any general meeting.

37.2 Any other person (whether a member or not) requested by the directors to attend any general meeting is entitled to be present and, at the request of the chair, to speak at that general meeting.

**APPOINTMENT, REMOVAL AND REMUNERATION OF DIRECTORS****38 Appointment and removal**

- 38.1 Subject to the Act, the Company may at any time by resolution passed in general meeting:
- (a) appoint any person as a director; or
  - (b) remove any director from office.
- 38.2 Subject to the Act, the directors may at any time appoint any person as a director. Any director appointed under this Article holds office until the conclusion of the next following annual general meeting and is eligible for election at that meeting without needing to give any prior notice of an intention to submit for election but is not to be taken into account in determining the number of directors who are to retire by rotation at the meeting.
- 38.3 Subject to Articles 38.2 and 55.3, a director must retire from office at the conclusion of the third annual general meeting after which the director was elected or re-elected.
- 38.4 A retiring director under Article 38.3 is eligible for re-election without needing to give any prior notice of an intention to submit for re-election.
- 38.5 No person other than a retiring director under Article 38.3 or a director vacating office under Article 38.2 is eligible to be elected a director at any general meeting unless a notice of the director's candidature signed by the candidate is given to the Company at least 30 days before the meeting.
- 38.6 Subject to Articles 38.2, 39.2 and 55.3, at every annual general meeting, one-third of the directors or, if their number is not a multiple of three, then the number nearest to but not less than one-third must retire from office. The directors to retire under this Article 38.6 are the directors or director longest in office since last being elected. As between directors who were elected on the same day the directors to retire are (in default of agreement between them) determined by ballot. The length of time a director has been in office is calculated from the director's last election or appointment.

**39 Vacation of office**

- 39.1 In addition to the circumstances in which the office of a director becomes vacant:
- (a) under the Act or under Articles 38.2 or 38.3; or
  - (b) because of a resolution under Article 38.1(a);
- the office of a director becomes vacant if the director:
- (c) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental health;
  - (d) resigns by notice in writing to the Company;
  - (e) is absent without the consent of the directors from meetings of the directors held during a continuous period of 6 months; or
  - (f) dies.
- 39.2 A director whose office is terminated under any of the circumstances referred to in paragraphs (a) to (f) of Article 39.1 is not to be taken into account in determining the number of directors who are to retire by rotation at any annual general meeting.

## POWERS AND DUTIES OF DIRECTORS

### 40 Powers and duties of directors

- 40.1 Subject to the Act and this Constitution, the business of the Company is managed by the directors, who may exercise all powers of the Company which are not, by the Act or this Constitution, required to be exercised by the Company in general meeting.
- 40.2 Without limiting the generality of Article 40.1, the directors may exercise all the powers of the Company:
- (a) to borrow money, to charge any property or business of the Company or all or any of its uncalled capital;
  - (b) to issue debentures or give any other security for a debt, liability or obligation of the Company or of any other person.
- 40.3 In addition to any other duties imposed on them by law, the directors must comply with the duties described in governance standard 5 of the *Australian Charities and Not-for-profits Commission Regulation 2013* (Cth).

### 41 Appointment of attorneys

- 41.1 The directors may, by power of attorney, appoint any person to be the attorney of the Company for the purposes, with the powers, authorities and discretions vested in or exercisable by the directors for any period and subject to any conditions as they think fit.
- 41.2 Any appointment under Article 41.1 may be made on terms for the protection and convenience of persons dealing with the attorney as the directors think fit and may also authorise the attorney to delegate all or any of the powers, authorities and discretions vested in the attorney.

### 42 Negotiable instruments

All negotiable instruments of the Company must be executed by the persons and in the manner the directors decide from time to time.

## PROCEEDINGS OF DIRECTORS

### 43 Proceedings

- 43.1 The directors may meet together for the dispatch of business and adjourn and otherwise regulate their meetings as they think fit.
- 43.2 A director may at any time, and on the request of a director a secretary must convene a meeting of the directors.
- 43.3 Reasonable notice must be given to every director of the place, date and time of every meeting of the directors. Where any director is for the time being outside of Australia, notice need only be given to that director if contact details have been given, but notice must always be given to any alternate director in Australia whose appointment by that director is for the time being in force.

### 44 Meetings by technology

- 44.1 For the purposes of the Act, each director, on becoming a director (or on the adoption of this Constitution), consents to the use of the following technology for calling or holding a directors meeting:
- (a) video;
  - (b) telephone;

- (c) electronic mail;
- (d) any other technology which permits each director to communicate with every other director; or
- (e) any combination of the technologies described in the above paragraphs.

A director may withdraw the consent given under this Article in accordance with the Act.

44.2 Where the directors are not all in attendance at one place and are holding a meeting using technology and each director can communicate with the other directors:

- (a) the participating directors are, for the purpose of every provision of this Constitution concerning meetings of the directors, taken to be assembled together at a meeting and to be present at that meeting; and
- (b) all proceedings of those directors conducted in that manner are as valid and effective as if conducted at a meeting at which all of them were present.

## 45 Quorum at meetings

At a meeting of directors, the number of directors whose presence is necessary to constitute a quorum is 2 directors entitled to vote. Unless the directors determine otherwise, the quorum need only be present at the time when the meeting proceeds to business.

## 46 Vacancies

The directors may act even in the event of a vacancy or vacancies in the office of a director or offices of directors, but if the number of directors is not sufficient to constitute a quorum at a meeting of directors, the directors may act only to appoint a sufficient number of directors to constitute a quorum.

## 47 Chair of directors

47.1 The directors may elect one of their number as their chair and may decide the period for which the chair is to hold office as chair.

47.2 Where a meeting of directors is held and:

- (a) a chair has not been elected as provided by Article 47.1; or
- (b) the chair is not present at the time appointed for the holding of the meeting or does not wish to chair the meeting,

the directors present may elect one of their number to be a chair of the meeting.

## 48 Proceedings at meetings

48.1 Subject to this Constitution, questions arising at a meeting of directors are decided by a majority of votes of directors present and voting and for all purposes any such decision is taken to be a decision of the directors.

48.2 In the case of an equality of votes, the chair of the meeting has a casting vote in addition to the chair's deliberative vote.

## 49 Material personal interests

49.1 A director is not disqualified by the director's office from contracting with the Company or any related body corporate of the Company in any capacity by reason of holding of the office of director.

49.2 In relation to a contract or arrangement in which a director has a material personal interest:

- (a) the fact that the director signed the document evidencing the contract or arrangement will not in any way affect its validity;
  - (b) a contract or arrangement made by the Company or any related body corporate with a director may not be avoided merely because the director is a party to the contract or arrangement or otherwise interested in it; and
  - (c) the director will not be liable to account to the Company for any profit derived in respect of the contract or arrangement merely because of the director's office or the fiduciary relationship it entails.
- 49.3 A director must disclose to each other director any material personal interest that the director has in a matter that relates to the affairs of the Company in accordance with the Act, as if the Act applies to the Company and the director in that regard. Notices of material personal interest given by directors must:
- (a) give details of the nature and extent of the director's interest and the relation of the interest to the affairs of the Company;
  - (b) be given at a directors' meeting as soon as practicable after the director becomes aware of their interest in the matter; and
  - (c) be recorded in the minutes of the directors' meeting at which the notice is given.
- 49.4 A director who has a material personal interest in a matter that is being considered at a directors' meeting must not be present while the matter is being considered at the meeting or vote on the matter, except in the following circumstances:
- (a) if the material personal interest is a matter that is not required to be disclosed under this Article 49 or under the Act; or
  - (b) if the directors who do not have a material personal interest in the matter have passed a resolution that:
    - (i) identified the director, the nature and the extent of the director's interest in the matter and its relation to the affairs of the Company; and
    - (ii) states that those directors are satisfied that the interest should not disqualify the director from voting or being present; or
  - (c) as otherwise permitted under the Act, as if the Act applies to the director in that regard.
- 49.5 Nothing in this Article 49 affects the duty of a director:
- (a) who holds any office or possesses any property whereby, directly or indirectly, duties or interests might be created in conflict with the directors' duties or interests as a director, to declare at a meeting of directors, the fact and the nature, character and extent of the conflict; or
  - (b) to comply with the Act.

## **50 Alternate directors**

- 50.1 A director may:
- (a) with the approval of a majority of the other directors (if any), appoint a person (whether a member of the Company or not); or
  - (b) without the need for the approval of the other directors, appoint another director, to be an alternate director in the director's place during any period that the director thinks fit.



- 50.2 An alternate director is entitled to notice of meetings of the directors and, if the appointor is not present at such a meeting, is entitled to attend and vote in the director's stead.
- 50.3 An alternate director may exercise any powers which the appointor may exercise. The exercise of any power by the alternate director (including signing a document) is taken to be the exercise of the power by the appointor. The exercise of any power by the alternate director is as agent of the Company and not as agent of the appointor. Where the alternate is another director, that director is entitled to cast a deliberative vote on the director's own account and on account of each person by whom the director has been appointed as an alternate director.
- 50.4 The appointment of an alternate director:
- (a) may be terminated at any time by the appointor even if the period of the appointment of the alternate director has not expired; and
  - (b) terminates automatically if the appointor vacates office as a director.
- 50.5 An appointment or the termination of an appointment of an alternate director must be effected by service on the Company of a notice in writing signed by the director making the appointment.

## **51 Delegation**

The directors may delegate any of their powers in accordance with the Act.

## **52 Committees**

- 52.1 The directors may delegate any of their powers to a committee or committees consisting of such number of them and/or other persons as they think fit. A committee may consist of one or more persons.
- 52.2 A committee to which any powers have been so delegated must exercise the powers delegated in accordance with any directions of the directors. A power so exercised is taken to be exercised by the directors.
- 52.3 Articles 43, 44, 47 and 48 apply to any committee as if each reference in those Articles to the directors was a reference to the members of the committee and each reference to a meeting of directors was to a meeting of the committee.
- 52.4 The number of members whose presence at a meeting of the committee is necessary to constitute a quorum is the number determined by the directors and, if not so determined, is two. Unless the directors determine otherwise, the quorum need only be present at the time when the meeting proceeds to business.
- 52.5 The minutes of all the proceedings and decisions of every committee must be made, entered and signed in the same manner in all respects as minutes of proceedings of the directors are required by the Act to be made, entered and signed.

## **53 Written resolutions**

- 53.1 If a document:
- (a) is sent to all those entitled to receive notice of a meeting at which a resolution could be put;
  - (b) contains a statement that the signatories to it are in favour of that resolution;
  - (c) the terms of the resolution are set out or identified in the document; and
  - (d) has been signed by a majority of the directors entitled to vote on that resolution,
- a resolution in those terms is passed on the day on which and at the time at which the document was signed by a majority of directors and the document has effect as a minute of the resolution.

53.2 For the purposes of Article 53.1:

- (a) 2 or more separate documents containing statements in identical terms each of which is signed by one or more directors are together taken to constitute one document containing a statement in those terms signed by those directors at the time at which the last of those documents to be signed was signed by a director; and
- (b) a reference to a majority of the directors does not include a reference to an alternate director whose appointor has signed the document, but an alternate director may sign the document in the place of the alternate director's appointor.

## **54 Defects in appointments**

- 54.1 All acts done by any meeting of the directors, committee of directors, or person acting as a director are as valid as if each person was duly appointed and qualified to be a director or a member of the committee.
- 54.2 Article 54.1 applies even if it is afterwards discovered that there was some defect in the appointment of a person to be a director or a member of a committee or to act as a director or that a person so appointed was disqualified.

## **MANAGING DIRECTOR**

### **55 Power to appoint managing director**

- 55.1 The directors may appoint one or more directors to the office of managing director for the period and on the terms as they think fit. Subject to the terms of any agreement entered into in a particular case, the directors may at any time revoke any appointment.
- 55.2 A managing director's appointment automatically terminates if the managing director ceases for any reason to be a director.
- 55.3 An exempt managing director is the managing director or, if there is more than one managing director, the managing director designated by the directors to be an exempt managing director. An exempt managing director is not subject to retirement as a director by rotation while continuing to hold the office of director and is not to be taken into account in determining the rotation or retirement of directors or the number of directors to retire, but is subject to the same provisions as to removal as the other directors of the Company. This Article does not affect the operation of Articles 38.2 and 39.2.
- 55.4 If a director ceases to be the managing director, that person automatically ceases to be a director, unless the other directors resolve that the person will remain a director until the next annual general meeting in which case that director is deemed to be a retiring director under Article 38.3 at that annual general meeting.

### **56 Remuneration**

A managing director may, subject to the Act and the terms of any agreement between the managing director and the Company, receive remuneration as the directors decide.

### **57 Delegation of powers to managing director**

- 57.1 The directors may, on the terms and conditions and with any restrictions as they think fit, confer on a managing director any of the powers exercisable by them.
- 57.2 Any powers so conferred may be concurrent with the powers of the directors.
- 57.3 The directors may at any time withdraw or vary any of powers conferred on a managing director.

## SECRETARIES AND OTHER OFFICERS

### 58 Secretaries

- 58.1 A secretary of the Company holds office on the terms and conditions, as to remuneration and otherwise, as the directors decide.
- 58.2 The directors may at any time terminate the appointment of a secretary.

### 59 Other officers

- 59.1 The directors may from time to time:
- (a) create any other position or positions in the Company with the powers and responsibilities as the directors may from time to time confer; and
  - (b) appoint any person, whether or not a director, to any position or positions created under paragraph (a).
- 59.2 The directors at any time may terminate the appointment of a person holding a position created under Article 59.1 and may abolish the position.

## SEALS AND EXECUTING DOCUMENTS

### 60 Seals and their use

- 60.1 The Company may have a common seal. If the Company has a common seal it may also have a duplicate common seal.
- 60.2 A Seal may be used only by the authority of the directors, or of a committee of the directors authorised by the directors to authorise the use of the Seal. Every document to which the Seal is affixed must be signed by:
- (a) two directors;
  - (b) a director and a secretary (or another person appointed by the directors to countersign that document or a class of documents in which that document is included).
- 60.3 This Article does not limit the ways in which the Company may execute a document.

## INSPECTION OF RECORDS

### 61 Inspection of records

- 61.1 The directors may authorise a member to inspect books of the Company to the extent, at the time and places and under the conditions, the directors consider appropriate.
- 61.2 A member (other than a director) does not have the right to inspect any document of the Company except as provided by law or as authorised by the directors.

## NOTICES

### 62 Notices generally

- 62.1 Any member who has not left at or sent to the registered office, a place of address or an electronic mail address (for registration in the register) at or to which all notices and documents of the Company may be served or sent is not entitled to receive any notice.
- 62.2 A notice may be given by the Company to any member by:
- (a) serving it on the member personally;

- (b) sending it by post to the member or leaving it at the member's address as shown in the register or the address supplied by the member to the Company for the giving of notices;
  - (c) serving it in any manner contemplated in this Article 62.2 on a member's attorney as specified by the member in a notice given under Article 62.3; or
  - (d) transmitting it electronically to the electronic mail address given by the member to the Company for giving notices.
- 62.3 A member may, by written notice to the secretary left at or sent to the registered office, require that all notices to be given by the Company or the directors be served on the member's attorney at an address specified in the notice.
- 62.4 Notice to a member whose address for notices is outside Australia must be sent by airmail or electronic mail.
- 62.5 Where a notice is sent by post, service of the notice is taken to be effected by properly addressing, prepaying and posting a letter containing the notice and to have been effected:
- (a) in the case of a notice of a meeting, on the day after the date of its posting; and
  - (b) in any other case, at the time at which the letter would be delivered in the ordinary course of post.
- 62.6 Where a notice is sent by electronic transmission, service of the notice is taken to be effected by properly addressing and sending or transmitting the notice and to have been effected on the day it is sent.
- 63 Notices of general meeting**
- 63.1 Notice of every general meeting must be given:
- (a) in the manner authorised by Article 62.2;
  - (b) to every member and to each director; and
  - (c) to the auditor to the Company (if any).
- 63.2 No other person is entitled to receive notice of general meetings.

## WINDING UP

### 64 Winding Up

If, on the winding up or dissolution of the Company by any means and for any reason, there remains any property, after the satisfaction of all the Company's debts and liabilities, the property must not be paid to or distributed among the members of the Company, but must be given or transferred to:

- (a) in the case of the property in the Fund,
  - (i) any other environmental organisation or organisations having similar objects to the Fund and which is on the Register of Environmental Organisations kept under subdivision 30-E of the ITAA; or
  - (ii) if there is no such organisation under sub-paragraph (i), then to any other organisation or organisations which is on the Register of Environmental Organisations kept under subdivision 30-E of the ITAA; or
  - (iii) if there is no such organisation under sub-paragraph (ii), then to any funds, authorities or institutions in Australia gifts and donations to which are tax deductible under division 30 of the ITAA,

as determined by the directors of the Foundation and, if more than one, in such shares and proportions among them as the directors may determine; and

- (b) in the case of any other property,
  - (i) one or more institutions (whether or a member or members of the Company) selected by the members of the Company in general meeting at or before the dissolution of the Company:
    - (A) having objects similar to the objects of the Company; and
    - (B) whose constitution prohibits the distribution of its or their income and property to an extent at least as great as that imposed on the Company under Article 6; or
  - (ii) if there are no institutions meeting the requirements of sub-paragraph (i), to one or more other institutions, associations or bodies (whether or not a member or members of the Company) selected by the members of the Company at or before the dissolution of the Company, the objects of which are the promotion of charity and gifts to which are allowable deductions under the ITAA; or
  - (iii) if the members do not make a selection pursuant to sub-paragraphs (i) or (ii) for any reason, to one or more institutions, associations or bodies meeting the requirements of either sub-paragraphs (i) or (ii) selected by the directors of the Company.

## INDEMNITY

### 65 Indemnity and insurance

- 65.1 To the extent permitted by law and without limiting the powers of the Company, the Company must indemnify each person who is, or has been, a director or secretary of the Company against any liability which results directly or indirectly from facts or circumstances relating to the person serving or having served in that capacity in relation to the Company or any of its subsidiaries:
- (a) to any person whether or not arising from a prior contingent liability incurred on or after 13 March 2000 other than:
    - (i) a liability owed to the Company or a related body corporate; or
    - (ii) a pecuniary penalty or compensation order made under the Act; or
    - (iii) a liability that is owed to someone (other than the Company or a related body corporate) and did not arise out of conduct in good faith;
  - (b) for legal costs incurred in defending an action for liability incurred as a director or a secretary of the Company if the costs are incurred other than:
    - (i) in defending or resisting civil proceedings in which the person is found to have a liability for which there is no indemnity under Article 65.1(a); or
    - (ii) in defending or resisting criminal proceedings in which the person is found guilty; or
    - (iii) in defending or resisting proceedings brought by the ASIC or a liquidator for a court order if the grounds for making the order are found by the Court to be established; or
    - (iv) in connection with proceedings for relief to the person under the Act in which the Court denies the relief.



- (A) Sub-paragraph (iii) does not apply to costs incurred in responding to actions brought by the ASIC or a liquidator as part of an investigation before commencing proceedings for the court order.

- 65.2 To the extent permitted by law and without limiting the powers of the Company, the directors may authorise the Company to, and the Company may enter into any:
- (a) documentary indemnity in favour of; or
  - (b) insurance policy for the benefit of,  
a person who is, or has been, a director, secretary, auditor, employee or other officer of the Company or of a subsidiary of the Company, which indemnity or insurance policy may be in such terms as the directors approve and, in particular, may apply to acts or omissions prior to or after the time of entering into the indemnity or policy.
- 65.3 The benefit of any indemnity previously given to any person in respect of liabilities incurred prior to 13 March 2000 is not affected by this Article 65.
- 65.4 The benefit of each indemnity given in Article 65 continues, even after its terms or the terms of this Article 65 are modified or deleted, in respect of a liability arising out of acts or omissions occurring prior to the modification or deletion.

## THE GREAT BARRIER REEF FOUNDATION PUBLIC FUND

### 66 Current Rules

The Rules of the Great Barrier Reef Foundation Public Fund at the date on which this Constitution was last amended are set out in the Schedule.

### 67 Ministerial rules

The Company agrees to comply with any rules that the Treasurer of the Commonwealth Government of Australia and the Minister of the Commonwealth Government of Australia with responsibility for the environment make to ensure that gifts to the Fund are only used for its principal purpose.

### 68 Annual statistical return

Statistical information requested by the Department on donations to the Fund will be provided within a reasonable period after the end of the financial year.

An audited financial statement for the Company and the Fund will be supplied with the annual statistical return. The statement will provide information on the expenditure of public fund monies and the management of public fund assets.

\* \* \* \*

## Schedule

### Rules of the Great Barrier Reef Foundation Public Fund

#### 1 Establishment of the Fund

The Fund is established pursuant to the Constitution of the Company for the sole purpose of supporting the Environmental Objects of the Company.

#### 2 Name of Fund

The Fund is known as Great Barrier Reef Foundation Public Fund.

#### 3 Definitions

In these Rules the following expressions where the context so admits have the following meanings:

- (a) **Company** means Great Barrier Reef Foundation ACN 090 616 443, a company limited by guarantee;
- (b) **Constitution** means the constitution for the time being of the Company.
- (c) **donations** includes gifts and contributions;
- (d) **Environmental Objects** means the principal purpose and objects of the Company set out in Article 5 of the Constitution;
- (e) **Environmental Organisation** has the meaning given in the ITAA;
- (f) **Fund** means the Great Barrier Reef Foundation Public Fund and includes:
  - (i) all donations and gifts of money and other property received by the Company for the Environmental Objects;
  - (ii) any income or accumulation of income of (i);
  - (iii) all other accretions to any of (i) and (ii); and
  - (iv) the investments and other property of every description for the time being representing such moneys or other property as set out in (i), (ii) and (iii) or any part or parts thereof;
- (g) **Model Rules** means the model rules for Register's public funds published by the Registrar of Environmental Organisations as amended from time to time;
- (h) **These Rules** means these rules of the Great Barrier Reef Foundation Public Fund including any subsequent variation, modification or replacement of these Rules.
- (i) **ZooX Fund** means the ZooX General Sub-Fund and the ZooX Public Sub-Fund together.
- (j) **ZooX Fund Purpose** has the meaning given in Rule 18.1.
- (k) **ZooX General Sub-Fund** means the sub-fund established and maintained under Rule 18.11.
- (l) **ZooX Public Sub-Fund** means the sub-fund established and maintained under Rule 18.12.

#### 4 Interpretation

In this interpretation of these Rules, unless the context otherwise requires:

- (a) words importing any gender include all genders;

- (b) words importing the singular number includes the plural number and vice versa;
- (c) references to persons or to people include corporations, associations, partnerships, government authorities, and other legal entities;
- (d) references to writing include any means of representing or reproducing words, figures, drawings or symbols in a visible, tangible form, in English;
- (e) references to signature and signing include due execution of a document by a corporation or other relevant entity;
- (f) references to statutes include statutes amending, consolidating or replacing the statutes referred to and all regulations, orders-in-council, rules, by-laws and ordinances made under those statutes;
- (g) references to sections of statutes or terms defined in statutes refer to corresponding sections or defined terms in amended, consolidated or replacement statutes;
- (h) headings are used for convenience only and are to be disregarded;
- (i) where any word or phrase is given a defined meaning, any other grammatical form of that word or phrase has a corresponding meaning;
- (j) each paragraph or sub-paragraph in a list is to be read independently from the others in the list;
- (k) if any term of these Rules is legally unenforceable or made inapplicable, it shall be severed or read down, but so as to maintain (as far as possible) all other terms of these Rules (unless to do so would change the underlying principal purposes of these Rules); and
- (l) definitions in the Constitution have the same meaning in these Rules unless a contrary intention appears.

## **5 Model rules**

The Model Rules shall apply to the Fund and to the extent of any inconsistency between these Rules and the Model Rules, the Model Rules shall prevail.

## **6 Public invitations**

The Company will invite members of the public to make donations of money or property to the Fund for the Environmental Objects.

## **7 Contributions to the Fund**

- 7.1 All donations of money or property received by the Company for the Environmental Objects must be paid into the Fund.
- 7.2 The Fund may receive only donations of money or property intended to be used for the Environmental Objects.
- 7.3 The Fund must not receive any other money or property.

## **8 Accumulation of income**

The income of the whole or any part of the Fund may be accumulated and any income so accumulated shall be added to form part of the capital of the Fund.

## **9 No payment of profits**

- 9.1 Except as provided in Rule 9.2, no part of the Fund may be paid, transferred or applied, directly or indirectly, by way of dividend, bonus, distribution or otherwise to:
- (a) the directors of the Company;
  - (b) the members of the Company;
  - (c) the members of the Management Committee;
  - (d) the controllers or owners of the Company; or
  - (e) any person claiming through any of the persons named in paragraphs (a) to (d).
- 9.2 The Fund may be used to pay for reasonable general operating expenses of the Company including rent, stationery, salaries and wages in accordance with the Constitution.

## **10 Investments**

The Fund may be invested in any investments in which for the time being the Company is authorised to invest by the Constitution and the Act.

## **11 Management Committee**

- 11.1 The administration of the Fund shall be under the day to day control of a Management Committee appointed from time to time by the directors of the Company and consisting of not less than three members.
- 11.2 A member of the Management Committee may, but need not, be a member or director of the Company.
- 11.3 A majority of the members of the Management Committee must be “responsible persons” (as defined by the Department) and otherwise meet the requirements of the Department for membership of the Management Committee.
- 11.4 The Management Committee shall administer the Fund in accordance with these Rules and may exercise all of the duties and powers of the directors of the Company in relation to the administration of the Fund, including, without limitation, the power to issue receipts for donations, the power to invest the Fund and the power to acquire and dispose of land.
- 11.5 The provisions of the Constitution with respect to committees apply to the Management Committee.
- 11.6 The Company must advise the full details of the members of the Management Committee to the Secretary of the Department.
- 11.7 Within a reasonable time after any changes to the membership of the Management Committee, the Company must advise the Secretary of the Department of full details of the changes.

## **12 Accounts**

The Company shall open and maintain in the name of the Fund a separate account or accounts at such bank or banks as the Management Committee may from time to time determine and all money which forms part of the Fund must be paid into such account or accounts. The Management Committee shall determine who shall be entitled to operate on such account or accounts.

## **13 Audit**

The Management Committee shall keep or cause to be kept proper accounts of all receipts, payments, assets and liabilities relating to the Fund and all other matters necessary for showing a

true statement and condition of the Fund and such accounts shall be audited at least once a year by the Company's auditor

## **14 Receipts**

14.1 Receipts must be issued in the name of the Fund.

14.2 The receipt in writing of the Company, or any director, secretary or officer of the Company or any member of the Management Committee on behalf of the Company, for all money or other property paid or transferred to the Fund shall effectively discharge the person paying or transferring the same and from being concerned to see to the application thereof.

## **15 Variation of these Rules**

15.1 These Rules may be altered, revoked or replaced in whole or in part at any time and from time to time by a resolution of the board of directors of the Company provided that no such alteration, revocation or replacement shall be of any force or effect to the extent that by virtue thereof any donation already made to the Fund or any part thereof shall cease to be tax deductible.

## **16 Reporting Requirements**

16.1 The Company shall immediately notify the Secretary of the Department and the Australian Taxation Office of any alteration, revocation or replacement of these Rules.

16.2 The Company shall immediately notify the Secretary of the Department if:

- (a) it changes its name or the name of the Fund; or
- (b) there has been any departure from the Model Rules of the Fund.

## **17 Winding Up and Revocation of Endorsement**

Upon whichever is the first to occur of the following events:

- (a) the winding up or dissolution of the Fund;
- (b) the revocation of the Company's endorsement relating to the Fund under subdivision 30-BA of the ITAA,

all money, investments and other property then forming the Fund, after the payment of all expenses and liabilities, must not be applied to the Company or any members thereof but must be paid or transferred to:

- (i) any other environmental organisation or organisations having similar objects to the Fund and which is on the Register of Environmental Organisations kept under subdivision 30-E of the ITAA; or
- (ii) if there is no such organisation under paragraph (a), then to any other organisation or organisations which is on the Register of Environmental Organisations kept under subdivision 30-E of the ITAA; or
- (iii) if there is no such organisation under paragraph (b), then to any funds, authorities or institutions in Australia gifts and donations to which are tax deductible under division 30 of the ITAA,

as determined by the directors of the Company and, if more than one, in such shares and proportions among them as the directors may determine.



## 18 ZooX Fund Rules

- 18.1 The ZooX Fund is established and maintained to be used in accordance with the company's Environmental Objects for funding and otherwise supporting research that seeks to understand and maximise the resilience of coral reefs (in particular the Great Barrier Reef) and adjacent coastal communities in the face of climate change (the **ZooX Fund Purpose**).
- 18.2 The ZooX Public Sub-Fund is established and maintained as a sub-fund of the Fund and is part of the Fund.
- 18.3 The ZooX Public Sub-Fund shall be managed by the Management Committee.
- 18.4 The ZooX Public Sub-Fund shall only be used for the ZooX Fund Purpose.
- 18.5 The company may invite donations to the company for the ZooX Fund Purpose.
- 18.6 All donations of money and property received for the ZooX Fund Purpose must be made to the ZooX Public Sub-Fund.
- 18.7 All interest and other income derived from money and property in the ZooX Public Sub-Fund and money from the realisation of such property must be credited to the ZooX Public Sub-Fund.
- 18.8 All money received for or credited to the ZooX Public Sub-Fund must be banked, as determined by the directors from time to time, either to the bank account for the Fund or to a separate bank account for the ZooX Public Sub-Fund which shall be a Fund bank account for the purposes of Rule 12.
- 18.9 The ZooX Public Sub-Fund shall be subject to separate accounting procedures within the Fund.
- 18.10 Receipts for donations received for the ZooX Fund Purpose must be issued in the name of the Fund and may include the name of the ZooX Public Sub-Fund.
- 18.11 All money and other property received and used or acquired for the ZooX Fund Purpose that is not required to be in the ZooX Public Sub-Fund, and all interest and other income derived therefrom and proceeds of sale thereof (which, to avoid doubt, also shall not form part of the ZooX Public Sub-Fund) shall be maintained as a separate sub-fund within the general funds of the company, to be called the ZooX General Sub-Fund, with separate accounting procedures, used for the ZooX Fund Purpose and banked, as determined by the directors from time to time, either to the company's general bank account or to a separate bank account for the ZooX General Sub-Fund.
- 18.12 Money and property in the Fund other than in the ZooX Public Sub-Fund and other money and property of the company may be used for the ZooX Fund Purpose and may, but need not, be accounted for separately in relation to the ZooX Public Sub-Fund and ZooX General Sub-Fund.
- 18.13 The ZooX Public Sub-Fund and the ZooX General Sub-Fund (including all interest and other investment income) may be used to pay for reasonable general operating expenses of the company in accordance with the Constitution provided that at least 85% of all donations of money or property (or the proceeds of sale thereof) received into the ZooX Public Sub-Fund and at least 85% of contributions of money or property (or the proceeds of sale thereof) received by the ZooX General Sub-Fund (other than contributions paid for the specific purpose of meeting general operating expenses of the Foundation, including the ZooX Fund, or expenses of ZooX Fund programs) must be applied directly to research projects aligned with the ZooX Fund Purpose.
- 18.14 If the directors determine that the ZooX Fund Purpose is not or has ceased to be reasonably practicable for the company to implement or to continue to pursue, the ZooX Fund must be terminated and:
- (a) if, in the opinion of the directors, there are organisations, authorities or institutions with similar objects to the company, which are in a better position to implement and pursue

the ZooX Fund Purpose, such part of the money and property then remaining in the ZooX Fund as the directors may determine to be appropriate in the circumstances may be paid or transferred (on any conditions that the directors determine to be appropriate) to those organisations, authorities and institutions to implement and pursue the ZooX Fund Purpose to the extent that they are able to do so;

- (b) any money and property remaining in ZooX Public Sub-Fund after any payment or transfer under paragraph (a) shall become available within the Fund to support the Environmental Objects; and
- (c) any money and property remaining in ZooX General Sub-Fund after any payment or transfer under paragraph (a) shall become available within the general funds of the company to support the Environmental Objects.

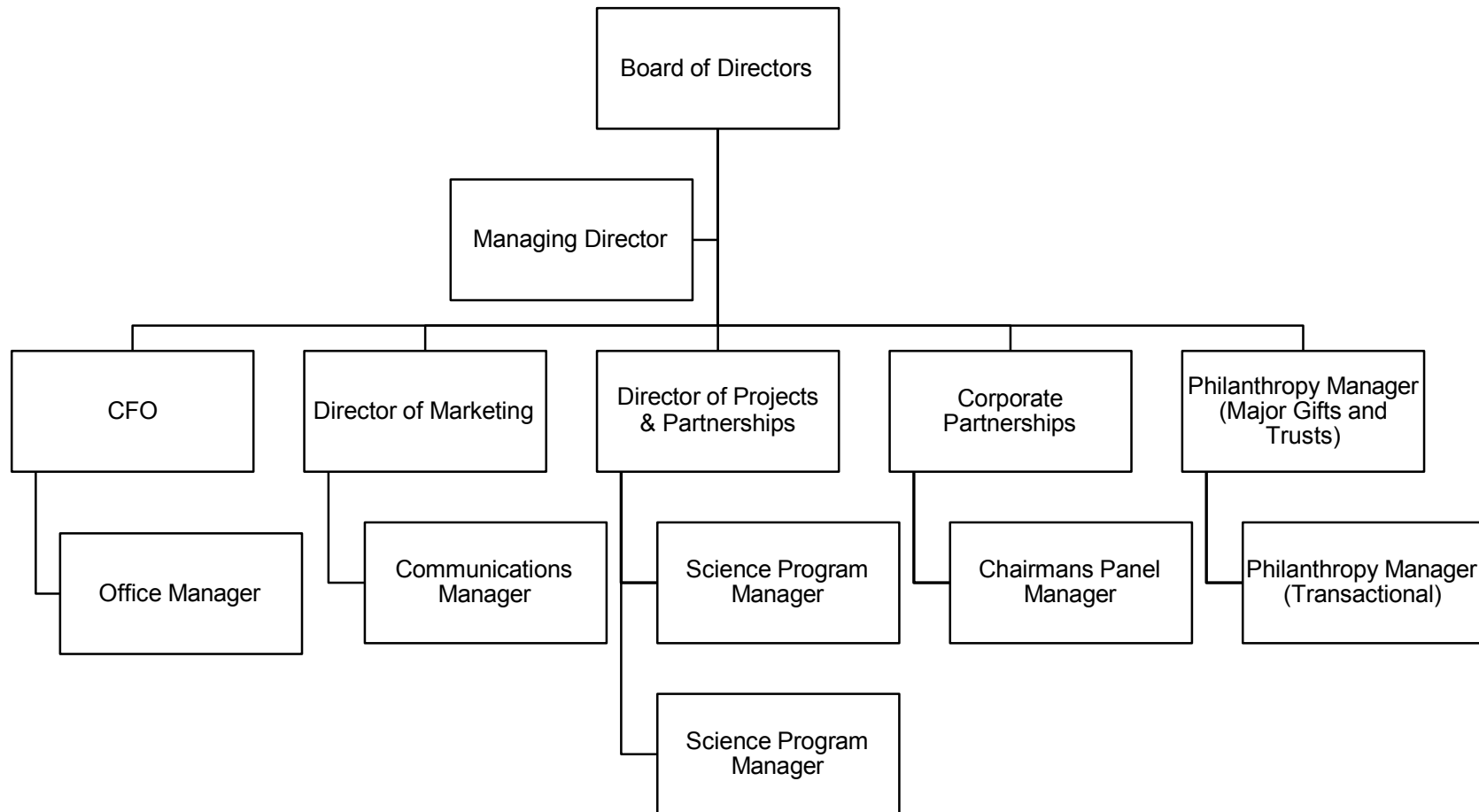
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# Great Barrier Reef Foundation

## GOVERNANCE AND OPERATIONAL STRUCTURE

As at 1 January 2017



**Directors**

Michael Cameron  
Maureen Ann Dougherty  
Stephen Charles Fitzgerald  
Paul Greenfield AO  
Anna Catherine Marsden  
Amanda Therase McCluskey  
John Francis Mulcahy  
Russell Evan Reichelt  
Stephen Hunter Roberts  
Kerri Suzanne Ryan  
Steven Andrew Sargent  
John Michael Schubert AO  
Phillip David Strachan  
Grant King  
Olivia Wirth

**Company Secretary**

Kerri Suzanne Ryan (since 30/11/2011)

The Foundation has established a number of committees who meet regularly and advise the board on a number of key issues.

**Audit, Risk and Compliance Committee**

Phillip David Strachan (Chair)  
Clayton Neil Herbert  
Trevor Mahony  
Anthony Peter Rose

**Portfolio Committee**

John Francis Mulcahy (Chair)  
Paul Fawcett Greenfield AO  
Anna Catherine Marsden  
Rachel Parry  
Russell Evan Reichelt  
John Michael Schubert AO

**Nominations Committee**

John Michael Schubert AO (Chair)  
Stephen Charles Fitzgerald  
Paul Fawcett Greenfield AO  
John Francis Mulcahy

**Philanthropy Committee**

Stephen Hunter Roberts (Chair)  
Stephen Charles Fitzgerald  
Anna Catherine Marsden

# Item 6

## Fundraising Policy

The Board of the Great Barrier Reef Foundation is committed to ensuring that fundraising activities are carried out in an ethical manner.

The purpose of this document is to identify the Great Barrier Reef Foundation's position on fundraising practice and to document the standards expected in raising funds from the community.

As a member of the Fundraising Institute of Australia (FIA), the Great Barrier Reef Foundation is a signatory of the Principles and Standards of Fundraising Practice<sup>1</sup>. The Foundation is committed to ethical fundraising, consistent with the values of the FIA. Fundraising targets will be linked to the goals and targets of the related Fundraising Activity strategy and plan and all monies raised will be utilised for the stated purpose of the appeal. Any communications to the public made in the course of carrying out a fundraising activity shall be truthful and non-deceptive.

Fundraising activities will not be undertaken if they expose the Great Barrier Reef Foundation to any unacceptable financial or reputational risk.

No person directly or indirectly employed by, or volunteering for, the Great Barrier Reef Foundation shall accept commissions or bonuses for fundraising activities on behalf of the organisation.

All personal information, collected by the Great Barrier Reef Foundation in the course of its fundraising activities, is confidential and will not be sold, given away or disclosed to any third party without prior consent.

## Ethical Grants and Donations

The Great Barrier Reef Foundation encourages and welcomes donations and grants from a variety of sources. As an independent and apolitical not-for-profit organisation, it relies on donations and grants, and commits to use those funds ethically and efficiently.

This policy recognises the critical importance of ethical conduct in fundraising activities in order to safeguard the status of the organisation as a registered charity and ensures the Great Barrier Reef Foundation stands up to scrutiny by all its stakeholders and the community.

The Foundation may accept donations and grants:

- Where the funds are consistent, in fact and appearance, with the spirit of its mandate;
- Where the funds are not linked to a requirement for the Foundation to endorse any products, services or policies that might be interpreted as a constraint;
- For a specific activity, provided the activity is directly related to Great Barrier Reef Foundation's mandate and is practically achievable by the Foundation; and
- On the clear understanding that the funder can have no influence over the academic and communications freedom and independence of the Great Barrier Reef Foundation's beneficiaries, including the conduct and outcomes of research and publication of results.

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<sup>1</sup> Fundraising Institute of Australia website: [www.fia.org.au/pages/principles-standards-of-fundraising-practice.html](http://www.fia.org.au/pages/principles-standards-of-fundraising-practice.html)



The Foundation may reject donations and grants:

- Where communication with the funder comes at a major cost to the Foundation;
- Likely to compromise the Foundation's integrity, independence, reputation, its capacity to carry out its mission and vision, which dictate its positions or priorities, or ability to speak out against unethical, unfair, or unsafe practices;
- From funders associated with activities, branding or reputation that are not in line with the Foundation's values;
- Generated by the proceeds of the tobacco industry, crime, pornography, weapons, firearms and munitions or slavery.

### [Ethical Sponsorships, Partnerships and Cause Related Marketing](#)

The Great Barrier Reef Foundation actively seeks opportunities to work together with external organisations to achieve shared objectives. However, it is vital that the Foundation maintains its independence and does not allow external partnerships to bring the Foundation into disrepute.

The Foundation therefore seeks, as far as is practical and within the constraints of the law:

- Initiatives that do not compromise the independent status of the Foundation; and
- To ensure that the organisational values of the sponsor/partner are consistent with the Foundation's own organisational values.

This policy has been devised to ensure clarity and openness to all of the Foundation's stakeholders. A full list of Sponsors, Partners and Cause Related Marketing Partners will be maintained on the Great Barrier Reef Foundation's website.

Prior to entering into any sponsorship, partnership or cause related marketing (valued over \$100,000) the Great Barrier Reef Foundation will search publicly available information about the potential funder to ensure that their corporate strategies align with the Great Barrier Reef Foundation's corporate values.

Corporate strategies align with our corporate values

## ***Essential criteria for Science Portfolio projects***

- Must address a critical gap
- Should be complex, requiring a collaborative and coordinated approach and/or is catalytic
- Is high impact – improves outcomes for the Great Barrier Reef and/or coral reefs globally

## ***Guiding Principles***

### ***A pathway to impact***

The Foundation is committed to enabling science that makes a difference to the Reef. When considering funding for any project we consider at the outset who and what could benefit. Benefits occur in many ways – through knowledge exchange, new tools and processes, on ground activity, enhanced learning, skills development, and above all improving the health of the reef.

### ***Driven by priority management needs***

While the Reef will always be the key beneficiary of any project, it is GBRMPA who are ultimately tasked with the vital role of protecting the Marine Park and the World Heritage Area. Therefore, it is imperative that we partner with GBRMPA to ensure we are funding projects that address genuine management needs. In doing so we will always have a clear line of sight of the short, medium and long term science priorities for the Reef and ensure managers recognise value in any project the Foundation funds.

### ***Grounded in science***

Science remains at the heart of everything the Foundation funds. We rely on insights and ***knowledge from the world of science to ensure that the projects we fund are underpinned by robust and defensible science.*** To ensure that the GBRF's Directors have access to good scientific advice and that our portfolio has scientific oversight at the highest level, the Board created the International Science Advisory Committee (ISAC). All projects that the Foundation funds are peer reviewed.

### ***Collaboration and partnerships***

The Foundation is uniquely positioned to lead the collaboration of business, science and government, bringing together groups who would not otherwise come together. We are privileged to collaborate with a number of organisations to ensure research excellence, value for money (leveraged funding) and coordination.

### ***A commitment to innovation***

The challenges facing the Reef are complex and interconnected. The investment required to achieve the goals of the Reef2050 Plan are substantial. New approaches and innovation is required if we are to deliver these outcomes faster and more efficiently. Successful innovation is driven not only by a mixture of technical and scientific skills, but also by business and entrepreneurial skills. We encourage innovation by connecting thought-leaders from diverse backgrounds to look at new ways to solve the challenges facing our Reef.

### ***Leveraging Industry engagement***

The Foundation believes the business community and other industries can meaningfully contribute to the protection of the Reef. Since its establishment, the Foundation has been the bridge between business and the Reef and a number of significant projects and achievements have resulted from their investment and involvement. We will continue to find opportunities for the business community to engage in our work and

projects and acknowledge that this extends beyond the provision of research funding. Many corporate partners can provide valuable data, expertise, equipment and infrastructure and with careful consideration, planning and guidance this can be converted into tangible benefits for the Reef.

### ***Project M&E***

Once a project has been approved by the Foundation's Board, project-specific indicators of success are built into the project contract. Each project requires an appropriate monitoring and evaluation plan, to evaluate whether a project was successful. Additionally, all projects that the Foundation funds are peer reviewed.

setting project-level indicators of success (outcome vs. output indicators, and associated methodology);

- evaluating whether the project was successful after its completion.



Great Barrier  
Reef Foundation

*Research for a resilient Reef*

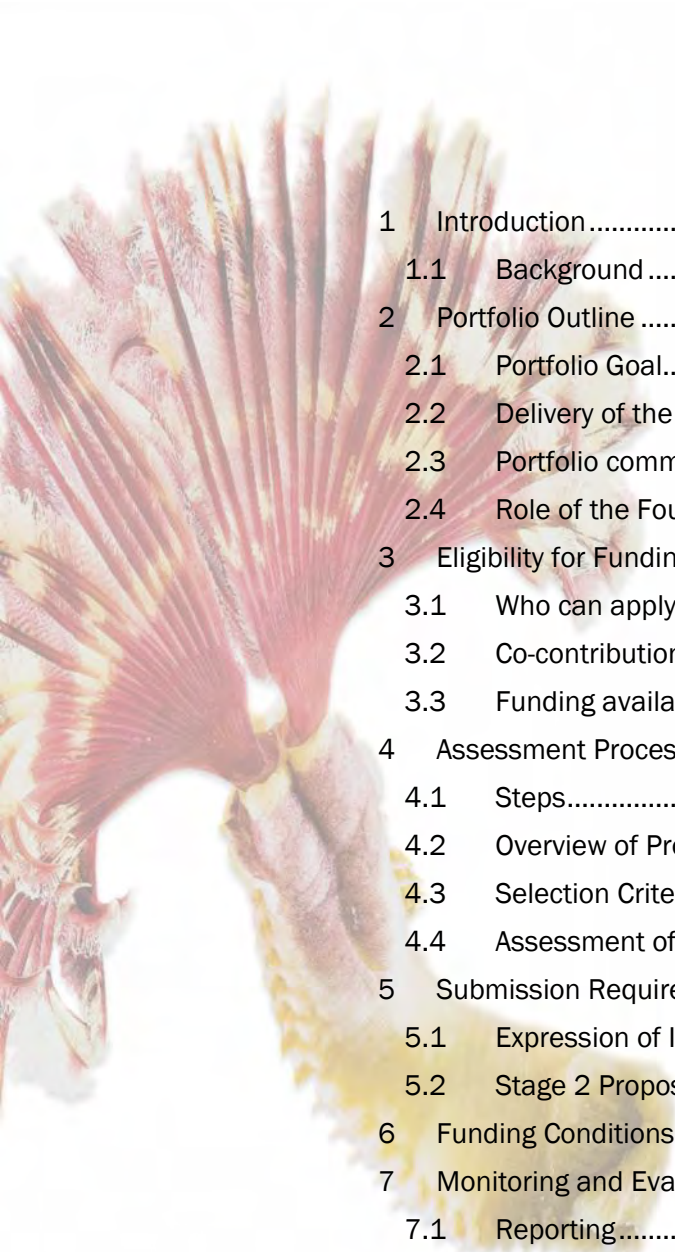
# Funding Guidelines



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W [barrierreef.org](http://barrierreef.org)

ABN 82 090 616 443

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# 1 Introduction

This document sets out the guidelines for the Great Barrier Reef Foundation's funding. These Guidelines describe the objectives of the Foundation's Research Portfolio and associated Program of works. They also provide guidance on how potential applicants can apply for research grant funding and outline the associated assessment and decision-making processes.

## 1.1 Background

Established in 1999, the Great Barrier Reef Foundation engages its network to identify, shape, fund and oversee research that will underpin protection and preservation of coral reefs. Focusing on innovative thinking, the Foundation has, with its partners in business, science and philanthropy, raised more than \$40m for research, so that the Great Barrier Reef (the Reef), and our interactions with it, can adapt. In partnership with its network, the Foundation developed a Research Portfolio which focuses on a solutions-based approach to research on climate change and the Reef. This Research Portfolio was officially launched in late 2010 and will be reviewed and updated in 2015.

The projects funded within the Research Portfolio focus on: better defining the attributes of a Reef ecosystem that is resilient to climate change; testing the feasibility of minimising the impacts of climate change of the ecosystem; increasing the adaptive capacity of the ecosystem to climate change; and, delivering decision support tools for enhanced Reef management.

The overarching goal of the Research Portfolio is the provision of knowledge to inform management of the Reef in the face of a changing and increasingly variable climate.

The Program was developed with reference to the full breadth of relevant and related research currently being conducted nationally and internationally, including under the Tropical Ecosystems Hub of the National Environmental Research Program (now NESP) and the Reef Rescue Research & Development Program. The Foundation, through its governance structures, including its expert advisory groups, the International Scientific Advisory Committee (ISAC) and the Portfolio Committee, has identified the key research gaps and specific research areas, established the research priorities for the current Program, and developed Terms of Reference (ToR) for Projects relating to the identified priority research areas.

Future priority research areas will be developed through expert workshops, which will deliver research frameworks and Terms of Reference (ToR) for Projects.

## 2 Portfolio Outline

### 2.1 Portfolio Goal

The overarching goal of the current Portfolio is the provision of knowledge (from both new and synthesised existing information) to inform management of the Reef in the face of a changing and increasingly variable climate.

The focus is to improve our capacity to understand, manage, and conserve the Reef through the generation of world-class solutions-focused research and its delivery to Australian environmental decision makers and other stakeholders.

Funding will be allocated for reef research and delivery that will inform governments and Reef management, both in the short-term and into the future.

The revised Research Portfolio will align with the Foundation's expanded vision of 'a resilient Reef'.

### 2.2 Delivery of the Portfolio

Projects required to deliver the outcomes of the Portfolio will be awarded to Eligible Organisations via both an openly competitive basis and direct negotiation for relevant areas of the Portfolio. Projects will be contracted and managed by the Foundation.

### 2.3 Portfolio communication

End-user engagement is essential to the success of the Portfolio. A strategy will be developed by the Foundation to coordinate knowledge brokering, communication and end-user adoption at the Program level. It will assist in integrating research to inform government policy, management and decision-making. It will include an annual Foundation conference (Science Forum) and a Research Adoption Group.

### 2.4 Role of the Foundation

The Foundation and its governance mechanisms, including its Technical Advisory Group (TAG), ISAC, Portfolio Committee and Board, have the following responsibilities in relation to the Program:

- identifying the key research gaps, Research priorities including emerging priorities that will be eligible for funding,
- developing, implementing and overseeing the assessment process,
- approving Projects for funding, including determining the level and conditions of funding,
- funding, contracting and managing the Portfolio, and
- coordination of knowledge-brokering, communication and end-user adoption at the Program level.

## 3 Eligibility for Funding

### 3.1 Who can apply?

Only Eligible Organisations can apply for funding for Projects. An Eligible Organisation is any existing public or private organisation which:

- Is linked to an Australian based institution,
- is capable of administering research funds,
- has a clearly established track record of managing research, and
- is accountable for the performance and quality of the research.

Applicants will be required to substantiate the merits of their proposed research and meet all requirements in these Guidelines, including the selection criteria outlined in Section 4.3.

### 3.2 Co-contribution encouraged

In assessing applications for funding, preference will be given to Project proposals that involve co-investment by public or private sector organisations that will benefit from the research outcomes, partnering with the Applicant (Partner Organisations) by contributing cash or in-kind contributions (co-contributions) to the Project. Guidance in relation to these Contributions by both the Applicant as Host Organisation and its Partner Organisations is provided in Appendix 1.

### 3.3 Funding availability

Please refer to the ToR for guidance on the proposed duration and maximum budget allocation estimate for each Project.

In addition:

- funding for approved Projects will commence effective on 1 July, unless other arrangements are approved by the Foundation,
- a Project may be applied for and awarded funding for between one and three consecutive years, and
- Project decision gates: For Projects funded for longer than one year, funding for each subsequent year will be contingent on the satisfactory completion of the previous year's activities.

## 4 Assessment Process

### 4.1 Steps

The steps below are indicative only. The key steps of the Process are set out as follows:

#### Step

- |   |   |
|---|---|
| 1 | Call for EOIs   |
| 2 | Closing Date for submission of EOIs                   |
| 3 | Short-listed Applicants requested to submit Proposals |
| 4 | Closing Date for submission of Proposals              |
| 5 | Foundation will advise successful Applicants          |
| 6 | Finalise terms of Funding Agreement                   |
| 7 | Announcement  |
| 8 | Execution of Funding Agreement                        |

### 4.2 Overview of Process

The funding approval process (Process) will occur in two stages.

#### Stage 1 – Expressions of Interest

The initial stage of the Process (Stage 1) will involve the review of the ToR by potential Applicants who will then submit an Expression of Interest (EOI) for Projects. A call for EOIs for Projects in relation to the specific research areas identified in the ToR will then be made. Applicants will be required to submit their EOI, and adhere to all requirements listed on that form and in these Guidelines.

#### Stage 2 – Full proposals

Following receipt and review of EOIs, the Foundation may invite short-listed Applicants to participate in the next phase of the Process (Stage 2). In selecting Applicants to proceed to Stage 2, the Foundation's decision is final. The Foundation does not provide feedback on unsuccessful EOIs.

In Stage 2, the short-listed Applicants will be required to submit a full proposal (Proposal) for a Project. Short-listed Applicants will be required to submit their Proposal in the form provided, and adhere to all requirements listed on that form and in these Guidelines.

Following receipt and review of Proposals, the Foundation may select Projects for funding under the Program. In selecting Projects for funding the Foundation's decision is final.



### 4.3 Selection Criteria

In assessing Applications, consideration will be given to track record, including evidence of past achievements.

To be competitive, Applications will need to score highly against each selection criterion. For all Applications, the following selection criteria will apply:

#### 1. Research relevance

The degree to which the Application adequately addresses the terms outlined in the relevant ToR.

#### 2. End-user relevance – a clear path to impact

The outcomes and benefits of the Project are clearly defined and are able to be delivered in a manner that facilitates adoption by end-users. The path to impact is clearly articulated – i.e. how will the research inform management of the Reef.

#### 3. Research quality and methods

Appropriateness: The degree to which the proposed research adequately addresses the objective of the research as defined in the relevant ToR, including the use of technically sound and practical approaches and research methods and the use, where appropriate, of innovative approaches.

#### 4. Capacity and expertise of researchers

The degree to which the Application includes the appropriate expertise (disciplines and qualifications) necessary to achieve the proposed outputs. Collaboration is encouraged where appropriate.

Demonstrated experience and defined processes for delivering quality outcomes on time and within budget.

#### 5. Value for money

The proposed research is achievable within the budget (including co-Contributions) and timeframes, and represents a good return on the Foundation's investment, that is, the level of funding requested is commensurate with the outcomes expected from research.

Applications that do not meet selection criteria 1 and 2 will be deemed ineligible for further consideration.

### 4.4 Assessment of Applicants

Assessment of EOIs and Proposals (Applications) is undertaken through the Foundation's governance mechanisms. The Foundation has the right to make recommendations for funding to its Board, based on any number of assessments or solely on the basis of its own assessment.

All Applications will be considered against eligibility criteria and conditions of funding and compliance with these Guidelines including lodgement deadlines. Contravention of one or more of these requirements may result in an Application being deemed non-compliant. If an Application is assessed as non-compliant, it may be excluded from

any further consideration. The Foundation, at its discretion, may seek additional information or request errors or omissions to be remedied.

The Foundation may request further explanation or additional documentation at any time as part of the assessment and selection process.

All Applications may be:

- assigned and disclosed to independent assessors (either individuals or panels) selected by ISAC from a range of organisations, who will assess and report to the Foundation on the Application against the selection criteria or on any specific aspects of the Application as assigned by ISAC; and
- ranked relative to other Applications, and allocated a budget by assessment panels nominated by ISAC and/or by ISAC and the Portfolio Committee or otherwise by the Foundation, on the basis of the Application, any assessors' reports or internal reports and any rejoinder requested from the Applicant.

Following the recommendations of assessment panels, ISAC and the Portfolio Committee, the ISAC and Portfolio Committee Chairs must make recommendations to the Board in relation to what Proposals should be approved and at what level of funding, and what Proposals should not be approved. This decision is final.

The Board will make the final decision on the selection of successful Applicants for Projects.

Applications may be approved either in full or in part, and approvals may include specific conditions. The Foundation reserves the right to recommend and offer an amount of funding for a Project different from that proposed in the Application. The Foundation's decision on Applications is final. Appeals or requests for review, whether as to process or on the merits, will not be considered.

## 5 Submission Requirements

### 5.1 Expression of Interest Requirements

EOIs:

- must be submitted in the form provided by the Foundation,
- must be lodged in pdf format,
- must describe the nature of the research proposed and address the selection criteria outlined in Section 4.3,
- must provide all the information necessary for assessment without the need for further written or oral explanation, or reference to additional documentation,
- must be current as to all information at the time of submission,
- must be certified prior to submission by the principal researcher and an authorised representative of the Applicant, and
- cannot be amended or supplemented after submission, unless invited by the Foundation.

### 5.2 Stage 2 Proposal Requirements

In inviting Proposals the Foundation may provide feedback or comments for amendment or refinement of the EOI, to ensure alignment with Program objectives and end-user priorities. The Foundation may also suggest further collaboration and merging of Proposals.

Proposals:

- must be submitted in the form provided by the Foundation,
- must be lodged in pdf format,
- must include an outline of the proposed research approach and address the criteria outlined in Section 4.3,
- must also include letters of support from the Applicant's proposed Partner Organisations who will make Contributions to the Project, as named in the Proposal, specifying the kind and amounts of Contributions and signed by a person authorised to make such commitments on behalf of the Partner Organisation,
- must provide all the information necessary for assessment without the need for further written or oral explanation, or reference to additional documentation,
- must be current as to all information at the time of submission,
- must be certified prior to submission by the principal researcher, key joint investigators and an authorised representative of the Applicant, and cannot be amended or supplemented after submission, unless invited by the Foundation.

It is expected that Applicants will only request minor and not extensive amendments to the draft Funding Agreement. It is expected that Applicants will have obtained all necessary internal approvals to enter into a funding agreement before submitting a Proposal.

## 6 Funding Conditions

The following conditions are attached to funding under the Program and will be included to the relevant extent in the Funding Agreement. Applicants will be required to substantiate their ability to meet these conditions:

- *Essential Activities:* Successful Applications will be subject to the requirements set out in Section 4.3.
- *Administration Costs:* Administration costs must be kept to the minimum required to provide an effective and accountable Project.
- *Basic Facilities:* Funding from the Project must be directed primarily to the conduct, collaboration and communication of research. Basic facilities, such as general office facilities, computers and software must primarily be the responsibility of the Host ARI and its Partner Organisations.
- *Overseas Expenditure:* Funds are primarily intended to be spent in Australia. However, where international collaborations add significant value to the delivery of research outcomes, these collaborations are encouraged. Any overseas expenditure of Project funds must be approved by the Foundation and be administered through the Host Organisation.
- *Use of Funds:* Project funds cannot be used to purchase assets over \$5,000 (excluding GST). Project funds must be used primarily be used for:
  - salaries for researchers and support staff, student stipends, and direct salary on-costs such as superannuation, worker's compensation, etc. The Foundation limits the indirect costs (oncosts and overheads) to 30% of the total employment costs,
  - direct support costs of research, such as consumables, research materials, and
  - indirect support costs of research, such as vehicle hire.

## 7 Monitoring and Evaluation

Under the terms of the Funding Agreement, during the term of the Project, Host Eligible Organisations will be subject to financial and performance monitoring and evaluation to ensure that they are meeting specified milestones and performance indicators as detailed in the Funding Agreement.

### 7.1 Reporting

#### 1. Progress Reports

Progress reports must be submitted by 31 December of each funding year for which the funding was awarded or as directed by the Foundation.

#### 2. Annual Reports

Annual Reports must be submitted by 30 June of each funding year for which the funding was awarded or as directed by the Foundation.

#### 3. Audited Financial Statement

An audited financial statement must be submitted to the Foundation by 31 Dec of each year following each year for which the funding was awarded. In completing the audited financial statement, the Host Organisation must ensure that the amount shown in that statement as 'approved carry forward funds' is the same as the amount (if any) for which approval was given by the Foundation to carry over in the Annual Report.

#### 4. Final Report

A Final Report must be submitted for the Project within 1 month of the Project end date, as directed by the Foundation.

The Final Report must justify why any publications arising from a Project have not been deposited in an open access institutional repository within 12 months of publication.

The Final Report must outline how data arising from the Project has been made publicly accessible where appropriate.

#### 5. Publication and Presentations

Any publication or presentation arising from research funded by the Foundation must contain an acknowledgement of the funding provided.

'We would like to acknowledge the Great Barrier Reef Foundation for supporting this project'.



## 8 Additional Information

### 8.1 Process conditions

Each applicant and potential applicant (each an Applicant), by participating in this Process, acknowledges and agrees to all terms and conditions applying to the Process as set out in these Guidelines including the following conditions.

Participation in the Process is at the Applicant's and its Partner Organisation's sole risk and cost.

- The Foundation is not obligated to notify an Applicant if the ToR or any other information provided to that Applicant in relation to, or in the course of, the Process is amended, incomplete or becomes outdated.
- In submitting an Application, the Applicant and all Partner Organisations nominated in the Application and their respective officers and personnel are consenting to the Application being assessed under the Foundation's assessment procedures, and agreeing to the release of the Application to third parties for assessment and otherwise disclosed as provided in these Guidelines.
- No agreement for the funding of a Project by the Foundation is capable of being formed, or will arise, before the execution of a formal written Funding Agreement by the Foundation and the Applicant.

### 8.2 Communication of Outcome

The Foundation will advise successful Applicants in writing of the outcome of their Application, and outline any conditions associated with approval. Successful Applicants will be required to finalise and execute a Funding Agreement expeditiously as indicated in the timetable in Section 4.1.

Unsuccessful Applicants will be advised by the Foundation in writing.

### 8.3 Conflict of Interest

Potential conflicts of interest will be dealt with in an open and transparent manner throughout the assessment process.

All persons and organisations involved in or associated with an Application (including the Foundation) must disclose at the date of submission any conflict of interest that exists or is likely to arise in relation to any aspect of the Project. Applicants must take steps to ensure that officers and personnel of the Applicant and its Partner Organisations are aware of this requirement.

Host Organisations must have documented processes in place for managing any conflict of interest that may arise for the duration of the Project. Such processes must comply with the NHMRC/ARC/UA *Australian Code for the Responsible Conduct of Research (2007)* and any relevant successor document.

## 8.4 Confidential Information

Applicants should identify in their Applications any specific information which the Applicant regards as confidential and provide justifiable reasons as to why it needs to remain confidential.

By participating in the Process, Applicants acknowledge and agree that all confidential information contained in or relating to an Application or proposed Application may be disclosed by the Foundation:

- as required by law,
- to their respective officers, employees, advisers, (including, in relation to the Foundation, persons involved in the Foundation's governance such as members of ISAC, the Portfolio Committee and the Board) and assessors in order to evaluate or assess an Application,
- where the information is in the public domain otherwise than by the disclosure of that information by the Foundation or their respective officers, employees, advisers or assessors other than as permitted above.

## 8.5 Privacy

To the extent that the Foundation collects or uses Personal Information in relation to the Process, the Foundation will use that Personal Information only for the purposes described in these Guidelines and will comply with the *Privacy Act 1988*.

## 8.6 Acknowledgement and Publicity

The Foundation will undertake events, media releases and other activities to announce successful grants of funding and other aspects of the Program and Projects and will publish such information on its website at [www.barrierreef.org](http://www.barrierreef.org), including the names of successful Applicants and details of the relevant Project and Project funding, and the name, role and other relevant Personal Information about the Applicant's principal researcher.

## 9 Contact Information

To seek further information on the Foundation, research funding, or if you are encountering difficulties during the application process, please contact:

Dr Sonia Claus  
Research Portfolio Manager  
Great Barrier Reef Foundation  
PO Box 2725, Fortitude Valley BC, QLD 4006  
Tel: +61 7 3252 7555  
Email: [info@barrierreef.org](mailto:info@barrierreef.org).

## Glossary

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<b>Applicant</b>	an eligible organisation which has made an Application and includes a potential applicant
<b>Application</b>	an EOI or a Proposal
<b>Board</b>	the Foundations' board of directors
<b>Contribution</b>	a cash or in-kind contribution
<b>Guidelines</b>	these Guidelines as amended from time to time
<b>Eligible Organisation</b>	An organisation as defined in Section 3.1 of these guidelines
<b>Foundation</b>	the Great Barrier Reef Foundation
<b>Host Organisation</b>	a successful Applicant for funding for a Project
<b>ISAC</b>	the Foundation's International Scientific Advisory Committee
<b>Partner Organisation</b>	means a public or private sector organisation partnering with the Host Organisation by making Contributions to the Project, including an end-user where applicable
<b>Process</b>	the funding approval process set out in these Guidelines as varied from time to time
<b>Project</b>	research projects proposed to be funded by the Foundation within the Program
<b>Program</b>	the Foundation's "Research Portfolio" Program
<b>Proposal</b>	a full proposal for funding of a Project as required for Stage 2 of the Process
<b>Research Portfolio</b>	the Foundation's research portfolio which can be downloaded at <a href="http://www.barrierreef.org">www.barrierreef.org</a>
<b>ToR</b>	the Foundation's Terms of Reference for Projects

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## Appendix 1: Guidance for in-kind contributions

This appendix contains guidance to be used in determining the value of Contributions by Host Organisations and their Partner Organisations for inclusion in Applications. Guidance is for both Expressions of Interest and Proposals.

As stated in the Guidelines ‘preference will be given to Project proposals that involve significant co-investment by public or private sector organisations that will benefit from the research outcomes, partnering with the Applicant (Partner Organisations) by contributing cash or in-kind contributions (Contributions) to the Project’ (see Guidelines Section 4.3).

### 9.1 Underlying Principals and practical considerations

The primary objective in examining Host Organisation and Partner Organisation Contributions is to ensure that the available support is appropriate and adequate for the successful completion of the Project.

Funding from the Foundation is to be primarily directed to the conduct, collaboration and communication of research. Basic facilities, such as general office facilities, computers, and software, will primarily be the responsibility of the Host Organisation and its Partner Organisations.

The Foundation does not specify a set of proportion of co-investment to be provided by Host Organisations or sourced from Partner Organisations, however Applications will be assessed for ‘value for money’ including level of co-investment.

In-kind contributions to a Project may include staff and on-costs, associated administration, management, scientific research and direct technical support. In-kind contributions may also include the cost of purchasing equipment valued at less than \$5,000 (excluding GST) and materials directly associated with the Project. In-kind contributions must reflect the percentage of overall use that is dedicated to the Project.

Where salaries are identified as in-kind contributions, the details of the researcher and the time it is proposed that they will contribute towards the Project need to be explicitly stated.

Cash provided towards the conduct of specific research is considered to be a cash contribution by the Host Organisation or Partner Organisation. Cash provided for salaries of researchers is considered an in-kind contribution.

### 9.2 Guidance for recognising in-kind contributions

Table 1 indicates examples of the activities and costs that can be accepted as in-kind contributions. Please note this list is not all-inclusive. If in doubt as to the acceptability of a particular item, please consult:



Dr Sonia Claus  
 Research Portfolio Manager  
 Great Barrier Reef Foundation  
 Email: [info@barrierreef.org](mailto:info@barrierreef.org)  
 Telephone: (07) 3252 7555

*Table 1: Activities and costs that can be accepted as in-kind contributions*

Category	Accepted	Not Accepted
Access to unique databases	Incremental cost of access	Cost of collecting, establishing or maintaining existing databases
Analytical and other services	Internal rates Incremental cost of providing service	Commercial rates
Equipment used exclusively for the Project Note: Project funds cannot be used to purchase assets over \$5,000 (excluding GST)	<i>Contributed – Used</i> Fair market value Company book value Price for internal transfers	List price or discounted list price Rental equivalents exceeding accepted values had the equipment been donated or sold
	<i>Contributed – New</i> Selling price to most favoured customer (if stock item) Cost of manufacture (if one of a kind) Cost of purchase	Development costs
	<i>Rent</i> Rental equivalent based on depreciation Rental rate equivalent to highest-volume user	
Patents and licences	Licences acquired from third parties for use by the Host Organisation exclusively for the Project	Patents Licensing fees paid to the Host Organisation
Salaries	Typical salary cost (including salary on-costs) at internal rates Administration support for coordination and	External charge-out of consultant fees Costs relating to administrative support

Category	Accepted	Not Accepted
	management of the Project where it is normal salary on-costs (details will be required when detailed budgets are being developed)	where overhead has been included in salary costs
Students	Contributions towards the cost of supporting the research of Honours and Postgraduate students (includes scholarship costs)	
Contributed software (Need to distinguish between existing software used as a tool for analytical purposes and the Partner Organisation's contribution to developing new software tools where this is one the main objectives of the Project)	Copying Costs Licensing Cost Documentation cost Cost of training and support of software Cost of equivalent commercial product (where donated software is not commercially available)	Development costs
Travel	Travel costs associated with field work Travel costs to meet with Host Organisation and Partner Organisation personnel	
Use of Facilities	Internal rates for logistical support and travel allowance for Host Organisation personnel working on Partner Organisation premises or on field work Internal rates for use of specialised equipment by Host Organisation personnel or use of process or production lines Internal rates for value of lost production resulting from down time	Use of equipment by Partner Organisation personnel Space for Partner Organisation activities outside the scope of the Project Equivalent commercial rates

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- Stephen Roberts
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- BHP
- Boeing
- Rio
- Qantas
- Orica
- Google
- Allens
- PwC
- Deloitte
- KPMG
- Boral
- Cleanaway

## **RESEARCH PARTNERS**

- Australian National University
- Bioplatforms Australia
- Australia Government Bureau of Meteorology
- CSIRO
- Great Barrier Reef Marine Park authority
- Griffith University
- James Cook university
- King Abdullah University of Science and Technology
- Queensland Government
- QUT
- Smithsonian
- Southern Cross University
- The University of Melbourne
- University of Queensland
- The University of Sydney
- Taronga Western Plains Zoo
- Traditional Owners



## REEF TRUST – GREAT BARRIER REEF FOUNDATION PARTNERSHIP

### PROPOSAL EVALUATION

This document represents the Department of the Environment and Energy's evaluation of the Great Barrier Reef Foundation's Grant Funding Proposal. It presents a review of the Proposal against the requirements outlined in the Reef Trust-Great Barrier Reef Foundation Partnership Grant Guidelines. This evaluation was developed by the Reef Branch with Senior Executive review and endorsement provided by the Department's Reef Project Board.

#### Evaluation Summary

The Reef Trust – Great Barrier Reef Foundation Partnership is underpinned by a comprehensive policy development process undertaken by the Government. The Great Barrier Reef Foundation has submitted an eligible grant funding Proposal that is well aligned to the Government's policy and program objectives and meets the core requirements of the Grant Guidelines. The Proposal, including its supporting documentation, demonstrates that the Foundation has, or has identified a strategy to obtain and/or develop, the skills, knowledge and policies required to apply appropriate governance and project management to the Partnership. The Foundation intends to manage this through accessing advice and ongoing services from a range of professional advisory firms and technical experts and has articulated how it will address this through a high level transition plan.

The Partnership will be supported by a governance framework that includes establishment of a Partnership Management Committee and engagement with the Reef 2050 Plan advisory bodies. The Foundation's history of collaboration with a wide range of government and non-government Reef stakeholders, including through its membership of/engagement with the advisory bodies, will help ensure effective delivery of desired outcomes.

The Foundation has identified potential risks and constraints to Partnership delivery and demonstrated it has the capacity to manage these in an effective and adaptive manner. Due diligence checks were undertaken on behalf of the Department by the Australian Government Solicitor s42

The Partnership will enable longer-term, strategic investments to be developed and adaptively managed with relatively low project delivery overheads. The Foundation's corporate governance arrangements and good track record of fundraising mean it is well placed to use the Government's contribution to leverage additional co-investment from the non-government sector. In summary, it is considered that this spending proposal would be a 'proper' (efficient, effective, economical and ethical) use of 'relevant money'.

Details of the evaluation are provided in the table below.

Issues for Consideration	Key Grant Guidelines References	Department of the Environment and Energy's Evaluation
1. Does the proposal align with policy and Partnership objectives, including implementation of the Reef 2050 Plan?	<p>Section 1 <i>Grant opportunity overview and objectives</i></p> <p>Section 4 <i>Proposal</i></p>	<p><b>The Proposal is aligned with policy and partnership objectives.</b></p> <p>The Proposal contributes to the Department's Program 1.1 Outcome – Sustainable Management of Natural Resources and the Environment.</p> <p>The Proposal references the key foundational documents, for example the Reef 2050 Plan, draft Reef 2050 Water Quality Improvement Plan 2017-2022, Reef 2050 Plan Investment Framework, the Scientific Consensus Statement and the Crown-of-thorns Starfish Control Strategy.</p> <p>The Foundation demonstrates an understanding of the Partnership objectives, outcomes and investment components (refer Appendix 1: <i>Partnership Component High - Level Analysis, Descriptions and Linkages to Existing Activities</i>).</p> <p>The Proposal demonstrates an understanding of the linkages of the Partnership with the Reef 2050 Plan and Reef 2050 Plan Investment Framework, Draft Reef 2050 Water Quality Improvement Plan (2017-2022) and Reef Trust investment principles (Refer Tables 1.1, 1.2, 1.3 and 1.4 in the Proposal).</p> <p>The Proposal addresses four of the six priorities for investment in the Reef 2050 Plan Investment Framework. The other two priorities (Fisheries and the Joint Field Management Program) are outside the scope of the Partnership Grant Guidelines and are being addressed via other funding mechanisms.</p>
2. Grant Delivery requirements and eligibility	<p>Section 2 <i>Grant delivery process</i></p> <p>Section 3 <i>Eligibility</i></p>	<p><b>The Foundation satisfies the eligibility criteria because it:</b></p> <ul style="list-style-type: none"> <li>• is a legal entity, able to enter into a legally binding agreement;</li> <li>• has an ABN;</li> <li>• is registered for the purposes of GST; and</li> <li>• has an Australian bank account.</li> </ul>

Issues for Consideration	Key Grant Guidelines References	Department of the Environment and Energy's Evaluation
		<p>This is supported by the fact that the Department has existing legally binding agreements with the Foundation for delivery of other projects.</p> <p>The Foundation's Proposal reflects the eligible and ineligible grant activity requirements as described in the Grant Guidelines (Sections 4.1 and 4.2 of the Proposal).</p>
<p>3. Does the Foundation have the capability and capacity to deliver Partnership outcomes in compliance with relevant guidelines and legal frameworks?</p>	<p>Section 4 <i>Proposal</i></p> <p>Section 1 <i>Grant opportunity overview and objectives</i></p> <p>Section 2 <i>Grant Delivery Process</i></p>	<p><b>The Department's assessment is that the Foundation should be able to scale-up the organisation's delivery capacity and capability, and manage an expanded portfolio of projects (refer Proposal Appendix 2: <i>Committee Charters and Membership</i> and Appendix 9: <i>Organisational Due Diligence</i>).</b></p> <p>The Foundation is a company limited by guarantee established under the <i>Corporations Act 2001</i> (Cth). It is governed by a board of directors and as such it has members but not shareholders. The Foundation's constitution prevents it distributing any profits the Foundation makes to its members. The Foundation makes its annual report and financial disclosures publicly available on its website.</p> <p>As a not-for-profit company, the Foundation is required to comply with all applicable requirements in the Corporations Act and is regulated by the Australian Securities and Investments Commission. The Foundation is also registered with, and required to provide financial and other reports and information to, the Australian Charities and Not-for-Profit Commission <sup>s42</sup></p> <p>The Foundation is supported by a Board and Chairman's Panel through which a range of advice and assistance can be accessed.</p> <p>The Foundation is supported by an Audit, Risk and Compliance Committee. The Foundation has numerous pro-bono and contractor arrangements to receive advice, services and assistance on governance from</p>

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		<p>professional services firms; for example, Allens Linklaters for legal advice, PwC for commercial services and Deloitte as an external auditor.</p> <p>The Foundation has an established International Scientific Advisory Committee which draws upon reef management and scientific expertise and will be able to provide advice about investment priorities (refer Appendix 2: <i>Committee Charters and Membership</i>).</p> <p>The Proposal states that the Foundation is exploring flexible short-term approaches to scaling up its operational capability such as seconding water quality experts from other organisations or engaging consultants with relevant expertise.</p> <p>The Foundation has demonstrated project management capacity and capability. The Foundation has experience delivering some relatively large, complex, multi-stakeholder projects and securing relevant scientific and technical capacity to deliver against the Reef 2050 outcomes. The Foundation has successfully delivered the <i>Resilient Reefs Successfully Adapting to Climate Change</i> Project (under Reef Programme), eReefs and other projects (refer Appendix 3: GBRF Portfolio – <i>Resilient Reefs Successfully Adapting to Climate Change</i> and examples in Proposal Section 6.2).</p> <p>The references provided by the BHP Billiton Foundation, the Queensland Government and Google (refer Proposal Appendix 7: <i>References from Foundation Funders</i>) supported the Foundation's claim against its capacity to meet contractual requirements, project delivery timeframes and budgets.</p> <p>The Foundation has stated it will recruit an expert in monitoring, evaluation, reporting and improvement (MERI) and impact assessment to ensure MERI plans for future investments are fit for purpose and the principles of adaptive management are applied to the Partnership.</p> <p>The Foundation has demonstrated its capacity to attract co-investment (refer Proposal Section 6.4). Fundraising is core business for the Foundation and it has a good track record of raising funds and partnering with the national and international non-government sector. The Proposal includes evidence of fundraising for</p>



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		<p>reef protection projects, including \$10.45 million from BHP Billiton for the Raine Island Recovery Project and for eReefs. For the Australian Government's funding of \$12.5 million for the Foundation's Resilient Reefs portfolio of projects, the Foundation raised \$25 million in additional cash and in-kind contributions. In 2009, the Foundation developed and published a \$100 million project portfolio "Resilient Reefs Successfully Adapting to Climate Change", which was co-developed with input from more than 75 people representing 15 organisations (refer Proposal Section 6.5 and Appendix 3). The Foundation's proposal also notes it will launch and implement a \$100 million fundraising campaign which was approved by the Foundation's Board in 2018.</p> <p>The Foundation has indicated that it will build on existing networks to continue leveraging funding for the Reef. A key early deliverable will be a Co-Financing Strategy Plan.</p> <p>As described above, due diligence checks of the Foundation did not raise any material issues which would preclude the Foundation from receiving the grant (refer 12 below). Separately, the Foundation indicated in its Proposal that it has recently been subject to due diligence assessments by BHP Billiton Foundation (carried out by Baker McKenzie) and by Lendlease. The Foundation's systems, policies, financial controls, procedures and governance were assessed. The Foundation has indicated that it passed both these due diligence assessment processes and entered into contracts. The Foundation has provided a reference from the BHP Billiton Foundation which has been partnering with the Foundation on a range of projects since 2007. (Refer s42 <span style="background-color: #cccccc;">[REDACTED]</span> Appendix 9: Organisational Due Diligence – <i>policies on fraud, code of conduct, health and safety etc.</i>).</p> <p>Annual and financial reports and Independent Auditor's Reports have been provided (refer Appendix 5: <i>Audited Financial Statements</i>) and demonstrate sound governance practices.</p> <p>Building Organisational Capacity:</p> <p>The Foundation has recognised the need to expand its organisational capacity in order to deliver all five components of the Partnership and is progressing measures to address this.</p>



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		<p>The Foundation has provided a high level Transition Plan covering the period from Q2 2018 to Q1 2019 that details its understanding of the key steps involved (refer Table 2: <i>High Level Transition Plan, Proposal page 23</i>). Their transition plan focuses on partnerships, capacity building, financial management, program design and delivery, and stakeholder engagement.</p> <p>The Foundation is also seeking expert advice to inform transition requirements including engaging:</p> <ul style="list-style-type: none"> <li>• PwC to undertake a maturity assessment of the organisation;</li> <li>• AECOM to assist in program design;</li> <li>• Second Muse for innovation support;</li> <li>• Big Red Agency to assist with key stakeholder markets; and</li> <li>• A Leadership Coach and Human Resources consultant.</li> </ul> <p>The Foundation has an established stakeholder base and the evidence provided as part of their Proposal demonstrates an ability to harness these networks to access necessary expertise and advice. This capability will help in implementation of the Partnership (refer Proposal page 24, <i>Advisory Support Summary</i>).</p> <p>The Foundation has an understanding of the task and the complexity of the stakeholder landscape as demonstrated by Appendix 1 - <i>Partnership Component high-level analysis, descriptions and linkages to existing activities</i>. In addition, the Foundation are members of the Reef 2050 Reef Advisory Committee and has links to the Independent Expert Panel through Dr Russell Reichelt and Prof Hoegh Guldberg.</p> <p>Building Personnel Capacity:</p> <p>To date, the Foundation's strengths have been in scientific research, development of management tools and some on-ground projects including the Raine Island Recovery Project (refer Proposal Section 6 for Examples of Collaborative Partnerships, Examples of High Impact Foundation Projects and Examples of Projects Highlighting a Culture of Innovation, and Appendix 8: <i>CV's of Key Personnel</i>).</p>

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		<p>The Foundation has demonstrated some capacity to deliver projects relevant to water quality improvement with the successful delivery of eReefs, an integrated suite of models to estimate the ecological impacts of pollutants delivered to the Reef from river flows. The Foundation's engagement in this work also evidences its understanding of water quality issues and their high overall priority under the Reef 2050 Plan.</p> <p>There is however a need for the organisation to expand experience/skills relevant to four out of the five partnership components:</p> <ul style="list-style-type: none"> <li>• Water quality improvement;</li> <li>• Crown-of-thorns Starfish control;</li> <li>• Indigenous and Community Reef Protection Actions; and</li> <li>• Integrated monitoring and reporting.</li> </ul> <p>The Foundation has proposed the recruitment of skilled staff to address gaps as well as close collaboration with the Department, the Great Barrier Reef Marine Park Authority and the Queensland Office of the Great Barrier Reef and other key stakeholders. The preparation of a Resourcing Plan as an early milestone is expected to articulate how the organisation's capacity will be built up to deliver the partnership activities.</p> <p>Large Scale Project Management:</p> <p>The Foundation has not delivered a grant of this scale before. The Foundation will rely on its experience in project management, its existing governance arrangements, advice and resources from its Board and Chairman's panel (which includes current and former Chief Executive Officers, Chairs and executive officers of some of Australia's largest companies) and its plan to build capacity to provide it with the skills, knowledge and policies required to apply best practice governance and project management principles to the Partnership. The Foundation states that its governance structures, policies and procedures are equivalent to those typically seen in organisations many times their size and that this provides a framework to scale its operations.</p>

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		As part of its strategy to manage the risks associated with delivering such a large grant, the Foundation is committed to seeking advice from a wide range of experts during the transition and planning phase of the Partnership (refer Section 6.2 and Appendix 9: Organisational Due Diligence – <i>Board/Governance and Past Performance/Capacity</i> ).
4. Does the proposal align with the purposes of the Reef Trust Special Account Determination and Reef Trust investment principles, including building on and not duplicating existing Reef protection initiatives?	Section 4 <i>Proposal</i>	<p><b>The Proposal is aligned with the Reef Trust, including the debiting provisions of the Special Account determination and investment principles (refer Tables 1.1 to 1.4 in the Proposal).</b></p> <p>The Foundation has demonstrated it understands and accepts the need to deliver investments that complement existing reef protection initiatives and build on, not duplicate, existing on-ground projects.</p> <p>The Proposal includes the statement: <i>the Foundation also recognises the need to maximise alignment of existing governance arrangements for the delivery of the Partnership to avoid duplication, ensure efficient two-way exchange of information, and facilitate effective engagement with peak bodies, potential delivery partners, scientists and experts on investment design and delivery.</i></p> <p>An early delivery milestone will be a high level 'landscape analysis' of existing efforts which is expected to identify gaps and enable the Foundation to avoid duplication and ensure alignment of new and existing investments.</p>
5. Is the proposed governance framework suitable?	Section 4 <i>Proposal</i>	<p><b>Noting that maturity and organisational reviews of the Foundation are underway, the Foundation's internal and external governance structures are fit for purpose.</b></p> <p>The Foundation's corporate governance includes a Board Chair, a Board of Directors and appointed Managing Director. In addition an Audit, Risk and Compliance Committee has been established whose</p>

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		<p>purpose is to oversee the Foundation's systems regarding financial reporting, internal control, risk management and internal and external audit functions (refer Appendix 2: <i>Committee Charters and Memberships</i> and Appendix 9: Organisational Due Diligence – <i>Board/Governance</i>). The Board has also created the International Science Advisory Committee (ISAC) to provide it with scientific advice. The Foundation states that ISAC brings together the leaders of the GBR research and management sector at one table to take a strategic approach to the research required to maintain and build the resilience of the Reef in the face of climate change.</p> <p>The Foundation is a company limited by guarantee established under the <i>Corporations Act 2001</i> (Cth). It is governed by a board of directors. As the Foundation is a company limited by guarantee, it has members, not shareholders. The Foundation's constitution prevents it distributing any profits the Foundation makes to its members. The Foundation makes its annual report and financial disclosures publicly available on its website.</p> <p>As a not-for-profit company, the Foundation is required to comply with all applicable requirements in the Corporations Act and is regulated by the Australian Securities and Investments Commission. The Foundation is also registered with, and required to provide financial and other reports and information to, the Australian Charities and Not-for-Profit Commission <a href="#">s42</a>.</p> <p>The Partnership will be guided by regular meetings of a proposed Partnership Management Committee of which the Australian Government will be an observer. The Foundation will also develop governance activities for each Component. The Department is proposed to have an Observer Role on the Foundation's Board.</p> <p>The Foundation is part of the existing Reef 2050 Plan governance structures, including the Reef 2050 Plan advisory bodies Reef Advisory Committee (through membership) and Independent Expert Panel (through cross membership with the Foundation's International Science Advisory Committee).</p> <p>The Foundation will be required to develop an Investment Strategy and Annual Activity Plans under the Partnership. These documents will be developed in consultation with the Reef 2050 advisory bodies, helping</p>



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		ensure that governance of the grant is transparent, consultative and based on adaptive management principles (refer Proposal Section 2).
6. Have potential risks and constraints affecting Partnership delivery been identified and managed appropriately?	Section 5 <i>Approval of the grant</i>	<p><b>The Foundation has identified potential risks and constraints to Partnership delivery, and has the capacity to manage these in an effective and adaptive manner through the Foundation's governance structure and the requirements of the Grant Agreement (refer Appendix 9: <i>Organisational Due Diligence – Risk management framework/policy</i>).</b></p> <p>The risk assessment provided in the Proposal is adequate for this stage of planning (refer Proposal Table 3, page 32). Key risks identified by the Foundation include: inability to quickly scale up the Foundation's delivery capacity; loss of local delivery capacity and momentum; work health and safety compliance; misinformation occurring due to inadequate communication from the Foundation; managing stakeholder expectations; legal and regulatory risk; break-down of partnerships; and inadequate delivery. The controls and treatments identified by the Foundation are appropriate.</p> <p>The Foundation will undertake a detailed risk assessment for each Partnership component and sub-component (project) when developing its project monitoring and reporting plan (MERI Plan). MERI plans are a key component in the Department's adaptive management approach to managing grant delivery.</p> <p>The Foundation has an Audit, Risk and Compliance Committee. The Committee operates according to an Audit Committee Charter which describes the purpose of the Committee being 'to assist [the Board of Directors] in fulfilling its oversight responsibilities in relation to GBRF's financial reporting, internal control systems, risk management systems and the internal and external audit functions responsibilities' (refer to Appendix 2 of the Proposal). In addition, the Foundation has indicated it will appoint a dedicated Risk and Compliance Officer who will be responsible for the development of a standard approach to all areas of compliance and audit (refer Section 8 of the Proposal).</p>



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<p>7. Does the proposal clearly articulate how the outputs and outcomes of the Partnership will be monitored and reported and how this information will inform continuous improvement?</p>	<p>Section 8. Grant monitoring, reporting and acquittal.</p>	<p><b>The Foundation has demonstrated its ability to provide high quality project monitoring and reporting information and data to meet a range of stakeholder requirements. The Foundation has not identified how it will conduct its internal reporting.</b></p> <p>The Foundation is familiar with the existing departmental reporting requirements including project performance reporting through the Department's Monitoring Evaluation Reporting and Improvement Tool (MERIT). It is also familiar with the financial reporting requirements of the Department and has complied with these to date while delivering a number of projects under Reef Programs.</p> <p>This was the Department's experience during the delivery of the \$12.5 million Resilient Reefs project. It is the Department's assessment that the quality of the Foundation's written and verbal reporting is of a very high standard (Refer Appendix 6 of the Proposal – <i>Final report from Resilient Reefs Successfully Adapting to Climate Change</i>).</p> <p>The Foundation's Proposal shows an awareness of the broader reporting requirements of Reef investments (e.g. the Reef 2050 Paddock to Reef Monitoring, Modelling and Reporting Program). Its past performance indicates a capacity to report for a broad range of purposes (excerpt from Section 6.3 of Proposal):</p> <p><i>We currently provide reports and information to our corporate partners such as case studies for their annual Sustainability or Environmental Reports; co-author articles in peer reviewed journals; provide general reef and project information in a monthly newsletter to a lay audience, and commission economic reports such as the 2017 Valuation of the GBR undertaken by Deloitte (Access Economics). We have an open data requirement in all of our subcontracts and as such data from many projects feed into national and international public databases, for example the ocean chemistry data collected via the Foundation's Future Reef Project feeds directly into the Bureau of Meteorology nationally and global climate models internationally.</i></p> <p>Adaptive Management:</p> <p>The Foundation indicates in its Proposal: <i>The six-year program enables the adoption of a strategic approach consistent with the Reef 2050 Plan's adaptive management cycle. It supports the building of productive long-</i></p>

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		<p><i>term partnerships in the planning and delivery of outcomes together with approaches that build understanding, awareness and capacity of delivery partners. It provides for continuity in program planning, evaluation and improvements over timeframes required to maximise coordination and leveraging of resources and deliver measurable outcomes for the Reef (refer Proposal Section 5.2).</i></p> <p>The Department agrees with this strategic planning approach, which will be enshrined in the Funding Agreement.</p> <p>The Foundation's proposal does not articulate how it will report internally to its Board.</p>
8. Does the proposal represent value for money and proper use of Commonwealth resources?	Section 5 <i>Approval of the grant</i>	<p><b>The proposed grant to the Foundation should deliver cost-effective investments which contribute to the attainment of the Reef 2050 Plan's objectives and outcomes as indicated by:</b></p> <ol style="list-style-type: none"> <li>1. A comprehensive policy development process undertaken by the Government during 2017 informed the design of the Partnership components and justified their funding allocations as described below. This work is a key foundation to the value for money assessment as it has clearly identified priority areas for investment to deliver on the objectives of the Reef 2050 Plan.</li> </ol> <p><u>Water Quality Component</u></p> <p>Implementation of Reef water quality improvement actions is an identified priority under the Reef 2050 Plan Investment Framework. The Scientific Consensus Statement on Reef Water Quality and the GBRMPA's Outlook Report both identify poor water quality flowing from the Reef catchment (primarily agricultural land) as a key driver of the decline in the health and resilience of coastal and marine ecosystems in the GBR World Heritage Area.</p> <p>To address this issue, the Australian and Queensland governments are implementing a range of programs under the Reef 2050 Water Quality Improvement Plan (WQIP), including regulations, incentives, training, extension and market-based approaches. In addition, governments are investing in water quality-related research, development and innovation, and integrated monitoring, modelling and reporting (including annual Reef report cards). Results to date indicate good progress has been made towards the Reef 2050</p>

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		<p>WQIP pollutant load reduction targets, but the current trajectory indicates the 2025 targets may not be met and that greater effort is required using an expanded scope of tailored and innovative solutions.</p> <p>The water quality component of the Partnership represents the Australian Government's response to these findings. The financial allocation for this component was informed by the 2016 Alluvium Consulting report commissioned by the Queensland Government Reef Water Science Taskforce. This report indicates that while achieving all targets using existing technologies is impracticable, there are a suite of cost-effective, proven actions, primarily relating to continued improvement of agricultural land management practices, that can be implemented immediately. This should boost progress towards high priority targets, especially for nutrient load reduction (nitrogenous fertilisers). High nutrient loads are linked to reduced ecosystem health and resilience to climate change, and increased frequency of crown-of-thorns starfish outbreaks.</p> <p>The Proposal scope for this Component (refer Appendix 1) is well aligned with the policy intent of the Government, focusing on: <i>scaling-up cost effective and proven approaches already identified or underway; an emphasis on innovative approaches spanning delivery models, driving behaviour change (e.g. incentives, supply chain levers), piloting new on-ground approaches and new technologies, and innovative financing solutions; and activities that achieve load reductions with potential for achieving gains in cost-effectiveness.</i></p> <p><u>Crown-of-thorns starfish (COTS) Component</u></p> <p>Implementation of COTS control actions is an identified priority under the Reef 2050 Plan investment Framework. The 2014 Outlook Report indicates that COTS are a major driver of the decline in coral cover observed in the GBR over the last 30 years and that there is strong evidence of a link between nutrient run-off from the catchment and increased frequency of COTS outbreaks.</p> <p>The GBRMPA's 2017 Great Barrier Reef Blueprint for Resilience was developed in response to the mass coral bleaching events of 2016 and 2017. It concludes that reducing the potential for future COTS outbreaks and reducing the impacts of current outbreaks through targeted COTS control is one of the most scalable and feasible actions for reducing coral mortality and preventing further declines in system resilience. In the longer-term the Authority anticipates COTS outbreaks will become less frequent as nutrient pollution to the Reef is further reduced.</p>



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		<p>The Blueprint recommends an 'all-out assault' on COTS that will reduce coral losses from predation through a ramped up, innovative in-water control program as part of an integrated COTS management strategy. The current COTS Control Program managed by the GBRMPA has proven the feasibility of strategic COTS control (manual culling) to protect high value reefs and revealed the cost of undertaking these activities through an open tender process.</p> <p>The Partnership Proposal for this Component aligns with the Government's policy intent to scale up the number of control boats as part of an integrated pest management strategy informed by applied research and surveillance to protect high value reefs. Specifically, Appendix 1 of the Proposal indicates: Consistent with measures outlined in the Reef Blueprint, this investment component will reduce coral losses from predation through a scaled up in-water control program as part of an integrated COTS management strategy. The strategy will encompass a combination of in-water COTS control activities, surveillance, monitoring, data analysis and synthesis to better target control programs and innovative science (e.g. early detection, novel higher efficiency culling methods and automation). COTS control efforts could be increased beyond sites of high tourism value to incorporate sites of high ecological value – particularly those essential to reef resilience (see the Reef Blueprint 'building a resilience network' initiative).</p> <p>This program will build on investments in the existing COTS control program and complement work occurring in the catchment to improve water quality and reduce the long-term risk to the GBR from COTS. (Refer Proposal Appendix 1).</p> <p><u>Reef Restoration and Adaptation Science Component</u></p> <p>The GBRMPA's 2017 Great Barrier Reef Blueprint for Resilience contains a recommendation to boost on-ground actions to enhance reef resilience, including active restoration of reefs in light of recent bleaching events, cumulative pressures, and possible climate change trajectories. This introduces a more interventionist approach relative to traditional models of conservation based reef management. It will see more direct action taken to complement current management of the World Heritage Area based on the use of marine zoning for species protection and management of key stressors such as poor water quality. The Government recognised the need to develop and deploy reef restoration techniques at much larger scale</p>

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		<p>than is currently feasible and that this requires a step-change in the level of funding for reef restoration and adaptation science. The allocation of \$100 million in funding for this Component, to be supplemented by additional non-government investment, is the Government's response to this requirement.</p> <p>The Foundation is already actively involved in the scoping of this Component: <i>At the 2016 Chairman's Panel event convened by the Foundation it was agreed that GBRF, GBRMPA and AIMS would join forces to commence scoping a large-scale GBR restoration program which would focus on overcoming the current roadblocks to restoring reefs at scale and cost-effectively. This partnership was successful in influencing the Innovation and Science Australia 2030 Innovation Plan to include Reef Restoration as a potential National Mission for Australia, and in securing \$6 million from the Department of Industry, Innovation and Science (DIIS) for a definition phase project to design a program of activities relating to reef restoration and adaptation.</i> The Proposal is aligned with the Government's policy intent for this Component. Specifically the Proposal indicates the scope of this Component will comprise <i>active interventions to address climate impacts: implementing the science regarding thermally-tolerant corals; coral translocation; spawning of resilient corals; artificial reefs and support implementation of the Reef Restoration and Adaptation Program (RRAP) being scoped by a collaboration involving AIMS, the Foundation, GBRMPA, UQ, CSIRO, QUT and JCU.</i> (Refer Proposal Appendix 1).</p> <p><u>Indigenous and Community Reef Protection Actions Component</u></p> <p>Traditional Owner actions are an identified priority under the Reef 2050 Plan Investment Framework. <i>'Empowering people to be part of the solution'</i> was identified as a key precursor to building the resilience of the GBR and reef-dependent communities in the Great Barrier Reef Blueprint for Resilience. A major focus of Reef restoration and building resilience is to protect reefs by empowering people. The major source of knowledge that underpins management decisions comes from a wide range of research institutions, stakeholders, Traditional Owners and community members. This Component includes development of various initiatives to enable more active community engagement in the long term protection of the Reef. This investment is intended to engage Traditional Owners, tourists and tourism operators, local Government, community groups and other industry sectors such as fishing that are dependent on the Reef.</p>



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		<p>During a coral bleaching advisory workshop on 5th May 2017, the Reef 2050 Plan Independent Expert Panel advised that:</p> <p><i>“Traditional Owners, local people, communities and local authorities should be supported better to deliver on-ground action that will benefit the Reef. Communities need to:</i></p> <ul style="list-style-type: none"> <li><i>a. be involved locally and regionally in ecologically and culturally relevant actions, particularly those that can be scaled for greater impact.</i></li> <li><i>b. be eligible for financial support for activities consistent with the revised Plan {Reef 2050 Plan}.</i></li> <li><i>c. have a role working with scientists to ensure knowledge exchange to support the ecosystem services provided by the Reef.”</i></li> </ul> <p>The Foundation's Proposal for this Component (refer Appendix 1) aligns with the Government's policy intent. Specifically, the Proposal indicates that the scope of this Component will encompass: <i>Traditional Owner and community engagement; A combination of Traditional Owner and community education, capacity building and employment activities; engagement activities to support implementation of all investment components outlined in this document, initiatives such as those detailed in GBRMPA's Blueprint for Resilience, and other initiatives identified or developed through the scoping activities associated with this Component.</i> This is supported by advice from the Reef Advisory Committee.</p> <p><u>Reef Integrated Monitoring and Reporting Component</u></p> <p>The Reef integrated Monitoring and Reporting Program (RIMREP) is a key component of the Reef 2050 Plan. RIMREP implementation is a priority under the Reef 2050 Plan Investment Framework. This Component will provide a comprehensive and up-to-date understanding of the Great Barrier Reef — the values and processes that support it and the threats that affect it. This knowledge is fundamental to informing actions required to protect and improve the Reef's condition and to drive resilience-based management. The Great Barrier Reef Blueprint for Resilience emphasised the importance of forecasting tools to ensure decisions are made in the context of a changing climate and an understanding of cumulative risks, together with monitoring and diagnostic tools to adjust actions.</p> <p>There are currently more than 90 monitoring programs operating in the Great Barrier Reef World Heritage Area and adjacent catchment. These programs have been designed for a variety of purposes and operate at a variety of spatial and temporal scales. The comprehensive strategic assessments of the Great Barrier</p>

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		<p>Reef World Heritage Area and adjacent coastal zone — both of which formed the basis for the <i>Reef 2050 Plan</i> —identified the need to ensure existing monitoring programs align with each other and with management objectives. The intent of this sub-program is not to duplicate existing arrangements but to coordinate and integrate monitoring, modelling and reporting programs across disciplines and help guide improvements.</p> <p>The Proposal is aligned with the Government's policy intent for this component (refer Appendix 1). Specifically the scope of this Component of the Proposal is:</p> <ul style="list-style-type: none"> <li>• <i>Support the delivery and operationalisation of the RIMREP, including Paddock to Reef, to track progress towards targets under the Reef 2050 Plan's seven themes, inform Outlook Reporting and to drive adaptive management.</i></li> <li>• <i>Support the coordination, alignment and integration of existing marine and catchment monitoring, modelling and reporting programs to capitalise on existing program investment, provide value for money, improve efficiency and ensure no duplication of effort.</i></li> <li>• <i>Support initiatives that drive innovation in monitoring, modelling and reporting to reduce costs, increase coverage and improve accessibility and timeliness of data for GBR managers and the public.</i></li> </ul> <p>(Refer Proposal Appendix 1)</p> <p>2. Assurance through the grant funding agreement. The governance arrangements proposed by the Foundation will form a key component of the assurance framework for the grant. The Department finds these proposals reasonable and the measures will be enshrined in the grant funding agreement. This includes the requirement for the Foundation to develop annual activity plans, an investment strategy, a resourcing plan and a co-financing strategy plan. The funding agreement will require the Foundation to maintain robust governance and stakeholder engagement arrangements to deliver the partnership and to inform development of the investment strategy and annual activity plans. This includes the need to establish a Partnership Management Committee and the need to consult with the existing Reef 2050 advisory bodies and the Great Barrier Reef Ministerial Forum. The Foundation has existing engagement</p>

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		<p>with the Reef 2050 advisory bodies either through direct membership or cross-engagement so will not need to service or establish equivalent governance bodies. (See also Point 3 above).</p> <ol style="list-style-type: none"> <li>3. Well targeted investment. The investment planning cycle the Foundation proposes will ensure on-ground projects are designed and implemented in line with the Reef Trust investment principles, including use of the best available scientific and expert advice. For example, tools are now available through the Paddock to Reef Integrated Monitoring Modelling and Reporting program to forecast water quality improvements and ecological protection arising from proposed projects, and the COTS integrated pest management control strategy enables targeting of control effort to maximise ecological outcomes for priority coral reefs. (Refer Proposal Appendix 1 - Process for the development and implementation of each component).</li> <li>4. Low project delivery overheads. Standard Reef Trust contracts typically allow for a 15 percent overhead (which consists of 10 per cent for administration and 5 per cent for project-level monitoring, evaluation, reporting and improvement (MERI). The overhead and MERI funding for the Foundation is \$22.5 million (5 per cent), with additional overhead funding of up to a further 5 per cent to be provided from interest earned by the Foundation on the grant funding (through appropriate investment). Any interest above this level must be invested in Partnership activities.</li> <li>5. Longer-term strategic investments. The six year duration, certainty and magnitude of funding should enable longer-term, strategic investments to be developed and adaptively managed over the life of the Partnership. This will permit the Foundation to appropriately profile funding across out-years and delivery partners to ramp up their capacity to match the level of funding available (e.g. recruitment and training of personnel).</li> <li>6. Leveraging co-investment. The Foundation has a good track record of fundraising and is well placed to use the Government's funding to leverage additional co-investment to deliver Partnership outcomes. The co-investment leveraged will vary by component and over time. The Proposal states that over the past 10 years the Foundation has secured more than \$80 million for the Reef, with \$30 million of that secured in</li> </ol>

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		<p>the past 18 months. The Proposal also states that the Foundation's Board has previously approved a \$100 million fundraising plan intended to start in 2019.</p> <p>In conclusion it is considered that the grant to the Foundation represents value for money to the Commonwealth working within the specific grant policy settings established by Government. It represents an efficient, effective, ethical and economical use of public resources.</p>
9. Is the Foundation's Privacy Declaration complete?	Section 10.1 <i>Confidentiality and privacy, Privacy</i>	Yes – refer to Section 7.6 of the Proposal.
10. Are the Foundation's requests for confidentiality appropriate (if applicable)?	Section 10.2 <i>Confidentiality and privacy, Disclosure of information</i>	<p>Yes. The Foundation has requested that its personnel's CVs given as part of the Proposal are treated as confidential information.</p> <p>Other confidential information may be identified during grant agreement development (such as sensitive information relating to its fundraising activities)</p>
11. Is the Foundation's conflicts of interest declaration complete?	Section 11 <i>Conflicts of interest</i>	<p>Yes – refer to Section 7.7 of the Proposal.</p> <p>The only 'perceived' conflict of interest identified by the Foundation is that Dr Russell Reichelt, a Director of the Foundation, is the Chairman and Chief Executive of the Great Barrier Reef Marine Park Authority (GBRMPA) which is a potential recipient of grant funding. The Foundation state that Dr Reichelt is a member</p>



Issues for Consideration	Key Grant Guidelines References	Department of the Environment and Energy's Evaluation
		<p>of the Foundation's Board as an independent expert in his own right, not in his professional capacity as CEO and Chair of GBRMPA.</p> <p>The Department notes that the Foundation has a policy and procedures relating to conflict of interest in place. The Foundation's process for managing conflict of interests is described in Section 7.7 of their Proposal.</p>
12. Are due diligence checks complete and appropriate?	N/A	<p>Due diligence checks have been performed on the Foundation and the results will be provided to the Minister as part of his consideration of the grant approval.</p> <p>s42 [REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>s42 [REDACTED]</p> <p>[REDACTED]</p> <p>The Foundation also supplied additional documents with its Proposal s42 [REDACTED] that formed the basis of due diligence reviews undertaken as part of it receiving funding from the BHP Billiton Foundation and Lendlease. BHP Billiton Foundation's review was undertaken by Baker McKenzie (refer Proposal Appendix 9 - <i>Due diligence data files and assessments</i>).</p> <p>The Department's own direct experience managing grant agreements with the Foundation has been positive. The Foundation has successfully delivered the <i>Resilient Reefs Successfully Adapting to Climate Change</i> Project (under Reef Programme), eReefs and other projects (refer Appendix 3: GBRF Portfolio – <i>Resilient</i></p>



Issues for Consideration	Key Grant Guidelines References	Department of the Environment and Energy's Evaluation
		<p><i>Reefs Successfully Adapting to Climate Change</i> and examples in Proposal Section 6.2). Sub-contracts were established efficiently, reporting was of a high standard (including verbal presentation to the Department) and generally submitted on time. If there were delays, the Department was advised, informed of the reasons and new dates of submission of reports were negotiated. The Foundation has also been very responsive to the Department's ad-hoc requests for further information.</p> <p>Based on s42 [REDACTED] the Department's own experience managing past grants to the Foundation, no material issues have been identified which would preclude the Foundation from receiving the grant.</p>

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